DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

SIXTH SESSION—SEVENTEENTH PARLIAMENT

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1935

HOUSE OF COMMONS
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Friday, February 22, 1935

The house met at three o'clock.

HOUSING POLICY

Mr. G. D. STANLEY (East Calgary, for Mr. Ganong) presented the first report of the special committee to consider and report upon the inauguration of a national policy of house building, as follows:

Your committee recommends that it be granted leave to report from time to time.

Your committee also recommends that five hundred copies in English and two hundred copies in French of the proceedings and evidence to be taken before the committee, and all papers and records to be incorporated with such evidence, be printed from day to day; and that standing order 64 be suspended in relation thereto.

Mr. STANLEY moved that the report be concurred in.

Motion agreed to.

EIGHT HOUR DAY

Right Hon. R. B. BENNETT (Prime Minister) moved for leave to introduce Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the general conference of the international labour organization in accordance with the treaties of Versailles and St. Germain.

Motion agreed to and bill read the first time.

WEEKLY DAY OF REST

Right Hon. R. B. BENNETT (Prime Minister) moved for leave to introduce Bill No. 22, to provide for a weekly day of rest in accordance with the convention concerning the application of the weekly rest in industrial undertakings adopted by the general conference of the international labour organization in accordance with the treaties of Versailles and St. Germain.

Motion agreed to and bill read the first time.

92582—70

IMPORTS FROM U.S.S.R.

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Was the importation into Canada of coal, wood pulp, pulpwood, lumber and timber of all kinds, asbestos and furs from the U.S.S.R. prohibited by order in council P.C. 463, dated February 27, 1931, for the following reasons: (a) because such country was not a contracting party to the treaty of Versailles, and (b) on account of the documentary and other evidence which had been received by the various departments of the public service in Canada? If so, (a) was the latter objection dropped before Canada signed the telegram dated Geneva, September 15, 1934, inviting the U.S.S.R. to enter the League of Nations? (b) Does the former objection still stand since the U.S.S.R. have entered the League of Nations?

Right Hon. R. B. BENNETT (Prime Minister): Stands as notice of motion.

CANADIAN NATIONAL RAILWAYS

BILL TO PROVIDE FOR THE APPOINTMENT OF AUDITORS

Hon. R. J. MANION (Minister of Railways and Canals) moved the second reading of Bill No. 20, respecting the appointment of auditors for the Canadian National Railways.

Mr. EULER: Explain.

Mr. MANION: If hon. gentlemen opposite are satisfied probably it would be better to go into committee on the bill at once. Otherwise I would have to explain it on the second reading, and that is a little more difficult because questions may be asked that I should like to answer. After all the principle of the bill, I think, is acceptable; we must appoint auditors for the Canadian National Railways. There may be some discussion, but perhaps I might be permitted to ascertain whether or not I should proceed now or whether the house will permit this bill to be considered at once in committee of the whole.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, if I may I would make this suggestion. When the auditors were appointed on previous occasions the names of the auditors were not inserted until we went into committee. If we are not committed to the principle of the bill by permitting second reading without discussion I do not suppose there is any particular objection to the bill going to committee. I hope I have not exhausted my right to speak, because I should like to see what the minister has to say in this regard.

Mr. MANION: I am quite agreeable to that. The only principle accepted by allowing second reading would be the appointment of auditors. The question as to who should be the auditors is for this house, because they are appointed by parliament. If that is satisfactory we might go into committee.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On the short title.

Mr. EULER: I would like to ask the minister why the change is being made in the personnel of the auditors.

Mr. MANION: Ordinarily I should not have expected much discussion on this question but I think, quite unjustly and unfairly, a few of the daily journals of Canada—

Mr. McINTOSH: Would you specify them?

Mr. MANION: I could do that, but there is no need for it at the moment. Before I am through perhaps I will do so. A few newspapers have taken the attitude that this is a sort of revenge upon George A. Touche and Company for their temerity in suggesting that there should be a recapitalization of the financial set-up of the Canadian National Railways. I only mention that because the whole suggestion seems to me almost too ridiculous to be printed. My hon. friend wants me to name these journals. I will name one at any rate. In the issue of the Toronto Daily Star that came in this morning appears a rather severe article criticizing the government. I should like to read one paragraph of that article, for it justifies me in mentioning the matter. The heading is "Unfairness to Canadian National Railways," and the last paragraph reads:

Far from welcoming the proposal of the auditors that the grossly inflated debt of the Canadian National Railways be pared down the Bennett government is demanding that the auditors be dismissed.

[Mr. Manion.]

In that regard I might just say that they are not being dismissed; the auditors are being changed.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: There is a difference, and a little later I will deal more fully with that. I am surprised that my hon. friends should laugh, because to change auditors is quite within the right of any business institution, while to dismiss the auditors would mean severely reprimanding them for something they had done or left undone. However, I will finish the paragraph I was reading:

The explanation that will be given for the proposed dismissal of the auditors no doubt will be that the firm has its headquarters in England—

I did not know that until this morning; I made inquiries, and I think that is correct.

—but so it had a year ago when Mr. Bennett and Doctor Manion were loud in praise of its work.

I am not going into any great detail, but that is why I wish to deal with this question to some extent. In the first place I want to make it clear to the committee and to the people in general that the thing furthest from the mind of the government, or of the Prime Minister, myself or any member of the government, was that George A. Touche and Company were being punished in any way because they suggested a recapitalization of the financial set-up of the Canadian National Railways. The idea behind such a change is exactly the idea that applies to the banks of this country and which is contained in the Bank Act, which I hold in my hand. A bank cannot retain the same auditors for more than two years. If that is a good rule for the banks, after George A. Touche and Company have been auditors of the Canadian National Railways for eleven or twelve years surely if the government thinks new auditors may bring a new slant or new outlook upon the operations and condition of the Canadian National Railways the government has a perfect right to suggest to this house—because they are parliament's auditors —that we should have a change. I should like to read that provision in the Bank Act, which is found in subsection 5 of section 55:

The shareholders—

After all it must be remembered that the auditors being appointed to-day are the shareholders' auditors for the Canadian National Railways. This has nothing whatever to do with the trustees. One article which I read in another newspaper, criticizing the government rather severely, suggested that we had

over-ruled the recommendation of the trustees in this regard. As a matter of fact the trustees have nothing to do with the appointment of these auditors; the auditors are appointed by this parliament as the shareholders of the Canadian National Railways, so the trustees do not enter into the picture at all.

—shall, at each annual general meeting, appoint two persons, not members of the same firm, whose names are included in the last published list, to audit the affairs of the bank, but if the same two persons, or members respectively of the same two firms have been appointed for two years in succession to audit the affairs of any one bank, one such person or any member of one such firm shall not be again appointed to audit the affairs of such bank during the period of two years next following the term for which he was last appointed.

In brief that simply means what I think it very clearly states, that the banks of this country cannot have the same auditors for more than two years. Every two years the shareholders of the banks must change their auditors, and it is on exactly that principle this proposal is made.

It will be remembered that I said these were parliament's auditors. For the benefit of those who have not studied the question I should like to read the two sections dealing with this matter from the Canadian National-Canadian Pacific Act of 1933, under which these auditors are appointed. Section 13 reads:

(1) A continuous audit of the accounts of national railways shall be made by independent auditors appointed annually by a resolution of parliament and annually reporting to parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the national company such amounts as the governor in council shall from time to time approve.

Then section 14 reads:

The trustees shall make a report annually to parliament setting forth in a summary manner the results of their operations, any cooperative measures, plans or arrangements, effective pursuant to this act, any economies or more remunerative operation thereby produced, the amounts expended on capital account in respect of national railways and such other information as appears to them to be of public interest or necessary for the information of parliament with relation to any situation existing at the time of such report, or as may be required from time to time by the governor in council.

I had that marked, although it has not really any bearing on the question. But as a rule the trustees themselves do incorporate the auditors' certificate in their report.

Mr. HANBURY: Does the second to last clause refer to the trustees' report?

Mr. MANION: Yes. I just wish to make it clear that the auditors we are appointing to-day are the auditors appointed by parliament under that act. There is no connection whatever between a change in auditors and their recommendation.

In regard to these recommendations may I say that they did not originate with George A. Touche and Company. I have made it my business to look into the history surrounding this whole matter in connection with the recommendation for recapitalization. The first person who made any real proposal in connection with a proposed recapitalization of the Canadian National Railways was Sir Joseph Flavelle. In a letter written to Right Hon. Arthur Meighen in 1921 he made that suggestion. We might as well suggest that Sir Joseph Flavelle was dropped from the Grand Trunk board because he had the temerity to suggest a refinancing or a change in the financial set-up of the Canadian National Railways.

Mr. HEAPS: He knows something about set-ups, doesn't he?

Mr. MANION: My hon. friend says so, and I do not quarrel with him.

Mr. POULIOT: Does the minister take his inspiration from Sir Joseph Flavelle?

Mr. MANION: No. In 1923, 1924, and again in 1925, the late Sir Henry Thornton in the annual report of the Canadian National Railways made to the government of the day suggested—well, so that there may be no misunderstanding I shall read one or two sentences from the annual report of 1923. Sir Henry said:

Consideration is being given to the policy to be followed with respect to the capitalization of the system, and the extent to which, if at all, the advances made and capital held by the government should be written down to a figure which may be regarded as consistent with the earning prospects of the railway. In the consideration of such a problem, the interests of the government, which is to say the people of Canada, must be given due weight. On the other hand it would seem unreasonable to burden the Canadian National railways with a load which is beyond its conceivable earning capacity.

Again in 1924, a similar suggestion was made, which I shall not quote. Then, in 1925, the following clause appears, bearing on the question in hand to-day:

The work is being performed effectively and it is expected—

The work of studying the financial set-up—

—that, during the current year, definite proposals having for their object the placing of the company's finances on a sound and permanent basis will be presented.

That is what was done in 1923, 1924 and 1925. I am pointing out merely that Sir Henry Thornton made the suggestion to the late government, and followed up his suggestion by submitting in 1928 or 1929—I am not quite sure of the date, because I did not have time to look into the report—to the late government, at least a year or perhaps two before they left office, a suggested change in the financial set-up. If I remember correctly—and I must say I read the report a couple of years ago, and have not seen it since—he suggested in that report which was prepared by Mr. Gaston, the $62,000-per-year man, who was brought across to study the situation, if for anything, that the government of the day should wipe out something like $700,000,000 of the government liabilities of the Canadian National Railways.

However, I make reference to these points to-day to show that this is not a new question. The government of that day, feeling that it was an important matter—and I am not criticizing them—did not choose at that time to act upon the report of Mr. Gaston and Sir Henry Thornton. Then, I received a letter from Sir Henry Thornton written in February, 1931, the first year after this government took office, and in it Sir Henry stated that he did not think at that time we would be warranted in dealing with that question. He said it was much too important a question to deal with at that time and—I am attempting to give the gist of it—he believed that due to the depressed condition of business, and for other reasons, it would be better to leave the matter over until a later date. In general, that is the whole history of the matter. I repeat that the late government did not see fit to make any change and so far this government has not seen fit to make a change. As a matter of fact legislation would be necessary to effect such a change. We would have to have the authority of the house to wipe out some of the stocks, and so on. In view of the fact that it does not make one particle of difference to the earnings of the Canadian National Railways, it is not in my view a live question, at all.

I do not understand—and I make this observation sincerely—all the excitement which has crept into some of the articles one may see written by private individuals and by editorial writers regarding the necessity for the Canadian National Railways to refinance, or to change the capital setup. I pointed out only a few days ago, when we were discussing a resolution offered by the hon. member for North Vancouver. (Mr. Munn) that unless we wiped out nearly $1,500,000,000 charged up on the books of the company, and in addition charged up to the people of Canada some of the bonded indebtedness owing to the bondholders in the United States, England and Canada, you would achieve nothing. Since not one cent of any of the government debt has been paid back, and not one cent of interest has been paid upon it, and since the Canadian people are to-day paying nearly all of the interest owing by the Canadian National Railways to bondholders, there is no method in the world at the moment whereby by writing down the capitalization of the Canadian National Railways you would better, even to the extent of one cent, the position of Canadian National Railways.

Therefore I say that the question is not a live one, and never has been a live one. It is quite untrue to say that it would have any effect upon the Canadian National Railways, or their earning power, in any shape or form. Sometimes the claim is made that it would have a beneficial effect upon the morale of the management and the men. Frankly speaking, I believe the morale of the management and men is excellent to-day. With the exception of certain extravagances with which I have already dealt, I believe the morale of the men was just as good in the past. I do not believe their morale has been affected to any degree by the question of recapitalization. For that reason I submit in view of the fact the matter has been dealt with so elaborately in past years the question of recapitalization is not sufficient to warrant us considering dropping Touche and Company, and I say to the house that that side of the matter never entered the head of any member of the government, so far as I know, and was not considered in any shape or form when the suggestion was made last year to deal with their report.

In a few minutes—and I shall not be long—I shall deal with their report of last year. The hon. member for North Waterloo (Mr. Euler) and other members who sat on the committee will remember that during the sittings of the special railway committee of last year we had before us first the report of the trustees and secondly the report of the auditors. The report of the trustees was considered. The report of the auditors which recommended cutting down the government debts of the Canadian National Railways we also considered. We discussed those matters

at some length. I hold in my hand a copy of the proceedings of the committee for Wednesday, June 29, 1934, containing the report to the house. In some meetings of the committee we discussed fully the question of recapitalization, as suggested to us by Touche and Company, and a member of the committee—I am not sure whether it was the hon. member for North Waterloo, or some other member—suggested that Touche and Company elaborate their ideas. They did not bring in their report before the sittings of the committee were completed. The sittings at which evidence was taken, ended on June 20, and no elaboration of the report had been given.

In some sections of the press much has been made of the fact that we seem to have been concealing this second report. As a matter of fact the report came after the active sittings of the committee had ended. There was a copy in my deputy's office which, quite frankly, I had never seen until recently. By some misunderstanding it was not sent to my office, or must have been mislaid somewhere between the office of the deputy and my office. But that does not matter. The hon. member for North Waterloo, I think it was, suggested that that supplementary report be tabled. It was then that I knew there was a supplementary report. I looked into the matter and I had the Touche Company written to and asked for copies of the supplementary report, and this morning the copies have come to hand and are ready for distribution. We got twenty-five copies. There were perhaps twenty-three members of the committee, but we asked for twenty-five copies and they will be distributed to the members of the committee, who I think have more claim upon them than has anybody else. I point this out to show that it was not our fault that the Touche Company did not bring in their supplementary report. It was merely an accident that it has not been tabled. There is nothing in it so far as I can see that does other than elaborate somewhat the report which was already before the committee last year.

It must be pointed out as well that the Duff commission report, upon which the legislation of 1933 was based, suggested the appointment not only of trustees but of auditors, as I read from the act only a few moments ago. The commission suggested that the trustees at the earliest convenient time look into the capitalization of the Canadian National Railways and make a report to this house. The trustees have not yet done so. It must be remembered, however, that the trustees were appointed only a little over a year ago and they took over an immense job in the handling of the Canadian National Railways. The financial structure of the Canadian National Railways is a very complicated matter in itself, and I have heard many members of this house who have been here for a good many years make statements about the Canadian National Railways' financial structure both in recent years and before this government came into power which showed that although they had made a very close study of the question they had not comprehended all the facts in the Canadian National set up. The trustees when appointed were exactly in the same position. It is true that two of them had been directors previously. Mr. Fullerton had been chairman of the board of railway commissioners, but I presume that not one of the trustees had previously given thorough study to the question. At any rate they have not yet submitted to us any proposal to make a change in the capital structure of the Canadian National Railways so far as it affects the government.

It was not the auditors who were to make the report on that subject, although they did submit one. I found no fault when they made a report last year, but it was the auditors and not the trustees who made the report. I say that the Duff commission recommended, and so far as I am concerned I have been living within the rules set out in the Duff report, that the trustees give consideration as to the capital structure, but no suggestions have been made by that body.

I do not wish to deal with the matter any further at the present moment. I merely complete my few remarks by repeating that no reflection was implied upon George A. Touche and Company, in any shape or form, although I must say this, that since it has been announced in the House of Commons that there was going to be a change there has been a propaganda in regard to George A. Touche and Company and against the government for presuming to change what this parliament had a perfect right to change. I have been told that that propaganda was stirred up to a certain extent by the Touche company themselves, which I cannot believe, but if I did believe it I would think that we had waited altogether too long to remove the Touche company from their position. I hope that some evidence may come from the Touche company that they had no hand in the propaganda that has gone forth, although I must say that some of the material that has been used in the press and which has been discussed by some members of this house was material which looked to me as if

it could only come from the auditors. However I do not wish to prejudge them. As far as the Touche company is concerned as auditors of the Canadian National Railways in the past they have I think given satisfactory service in every way, but the government is of the opinion at the present time that nothing but benefit can result to the Canadian National Railways and the people of this country and indeed to members of this house by taking on another outstandingly able auditing company of Canada to deal with this question.

Mr. EULER: Mr. Chairman, in what I have to say I desire to assure the committee that I have no brief for the Touche company. I have had no communication with them since the proposal has been made to replace them by another firm, nor have I any prejudice against the firm which it is proposed to appoint, although I must say that they have been in receipt of large fees from this government and previous governments and have done a great deal of government work. I was glad to hear the minister say that the Touche company are not being dismissed, if I might use the word, because of the fact that they made certain recommendations with regard to the writing down of the capitalization of the Canadian National Railways. I should not like to believe that the government would do that.

I must also say, with all respect to the minister, that the reasons which have been given by him do not appear to me to be quite adequate. His chief reason for changing the auditors is that the government is acting as they would act in the case of auditors of banks who are required to be changed every two years. In the first place, if that is the government's conviction it seems rather strange that they waited for four years until they made such a change. There is also some distinction between banks and the Canadian National Railways. The Canadian banks are the custodians of the moneys of the people of Canada, in charge of trust funds, and it is especially desirable that they be safeguarded in every way, perhaps by the appointment of new auditors from time to time. But the same conditions do not entirely obtain in regard to the Canadian National Railways.

It was only last year that the Minister of Railways stated in connection with a possible change of auditors—he will correct me if I am wrong—that it was rather an undesirable thing to do because it took some considerable time, I think he said some months, for new auditors to familiarize themselves with the method of keeping the accounts of the Canadian National Railways, and I thought that was a very good argument.

Mr. MANION: I will answer that at the moment or afterwards, as my hon. friend desires.

Mr. EULER: If a firm of auditors is capable, and I think the Prime Minister has admitted that this firm is capable, and the minister said it again to-day, there should be some very special reason before you subject them to the indignity, shall I say, or disgrace or loss of prestige which must of necessity come to them by reason of the fact that they are relieved of duties which they have carried on satisfactorily for a period of eighteen years.

Mr. BENNETT: My hon. friend is mistaken. Their term of office expired on December 31, 1934.

Mr. EULER: The right hon. gentleman means to say that the appointment is made from year to year. I know that just as well as he does, but there is no getting away from this fact, that when a firm has been kept in the employ of the government or any other employer for a long, long period of years, and then suddenly a change is made, that in effect means dismissal; at least, it appears to the public and certainly to the firm themselves as a matter of dismissal.

Mr. BENNETT: They were only kept by the government one year. The company itself appointed them previously.

Mr. EULER: I let that go because it is not the chief argument I desire to make.

Since the affairs of the Canadian National Railways are each year referred to the committee on railways and shipping, it might not have been out of place to submit a matter of this kind for discussion to that committee, but that was not done.

The chief reason why I would say the time is inopportune for a change of auditors lies in the very report which is being discussed by the Minister of Railways this afternoon. The committee last year had no opportunity, or practically none, to discuss that report. The minister said a few moments ago that that report was discussed, but I will leave it to every member of that committee, whether he sits on that side of the house or on this side, whether we did in effect have any real opportunity to discuss either of these reports, the financial report of the board of trustees, which is a voluminous document, or the report

submitted by the auditors themselves, which also is a document of very considerable proportions. We had I think only three meetings of that committee. I do not know why that committee was not called together before it was. I am not casting any reflections, but I do not know why we did not have that opportunity. The fact remains that that committee had the opportunity for only three meetings. I say it is utterly impossible to examine and discuss the two reports that were submitted to that committee for consideration. In the auditors' report there was one recommendation which I regard as important, and in that respect I must disagree with the minister. The part of the report I regard as important is the one that refers to the writing down of the capitalization of the railways.

For a good many years in this house and outside of it it has been urged that something should be done to place the capitalization of the national railways on a fair basis, a basis such as would make it impossible for the enemies of the publicly owned Canadian National railway system to misrepresent the position of the railways. I have myself urged it from time to time, perhaps half a dozen times in the last ten years. But it was never done. The minister says that Sir Henry Thornton made a certain suggestion to the late government. That may be so, but my impression is decidedly this, that no really definite or concrete suggestion was ever made for the writing down of the capitalization of the national railways.

Mr. MANION: My hon. friend is entirely wrong about that and I correct him in order to keep the issue straight. I have it in my office.

Mr. EULER: If I am wrong I am ready to admit it, but my impression is, and I had a fairly close association with him as far as the national railways were concerned, that they were never quite ready to do it; and one of the reasons was that it was extremely difficult to accomplish such a writing down because of the fact that the Canadian National Railways consisted of an aggregation of something like one hundred joint stock companies, with all their various bond issues and matters of that kind. It should have been done long ago, but we had always thought that it was a very difficult thing to do; and therefore it came as a matter of surprise and satisfaction to me in the committee last year when the auditors, Messrs. Touche & Company, made a very simple suggestion which would have dealt with the question in what I regard as a very reasonable way. And that is why I bring it up to-day I bring it up now for this reason. I think that the auditors should be retained for at least another year because they are thoroughly familiar with their own recommendations and since we could not discuss it last year in the committee and bring the recommendations before parliament, we should have an opportunity during this session to discuss the whole matter in an intelligent way; and we should be materially assisted in that regard if the auditors who made the suggestion were permitted to be present at that gathering rather than an entirely strange body of auditors who perhaps might not be in sympathy with the suggestion.

I wish to discuss the recommendations made, and I should like to discuss the matter of removing from the public mind some misapprehensions. That is what the auditors desire to do. The debt of the railways to the government is given in the auditors' report—I am using round figures—at $1,771,000,000. That is to say, that sum is carried on the books of the railway as the debt to the federal government. And here is the strange situation disclosed in last year's meeting of the committee, that while the railways carry this liability to the federal government on their books the federal government does not carry it as an asset on the federal books. I had on the order paper a few weeks ago a question as to how much of the debt owing by the railways to the government was already included in the federal national debt, and the reply came, as given by the Minister of Railways, that practicilly the whole of the debt of the railways to the government itself was already absorbed into the national debt. That national debt, in round figures, is $2,770,000,000, and the debt of the railways to the government is $1,770,000,000. Now if the whole of that liability by the railways to the government is absorbed into the national debt, then certainly those are wrong who take the whole debt of the railways to the government amounting to $1,770,000,000 and $1,250,000,000 to the public by way of bonds and add it to the $2,770,000,000 of Canadian government debt. In that way they add the two together, making the debt of the Canadian people, through the government itself and through the railways, approximately $5,500,000,000. In other words, they are adding to the amount that has already been absorbed into the national debt, given by the minister as $1,500,000,000, putting it in twice and exaggerating the debt of the Canadian people in the two ways, through the government itself and through the railways, by about $1,500,000,000.

The reason for that is this. There has always been some misunderstanding with regard to the debt of the Canadian National Railways. Now I say that we have not had a fair picture of the situation of the Canadian National Railways. It is bad enough, and during the present year we shall still fall short of paying interest on the bonded indebtedness to the public by about $50,000,000. But when you figure that according to the Canadian National books there is still owing by the railways an additional $1,700,000,000, then the people are almost justified in figuring interest on that $1,700,000,000, and it is very easy then to put the deficit of the Canadian National Railways at upwards of $100,000,000.

It is not fair to carry on the books of the Canadian National Railways that sum of $1,770,000,000 owing to the Canadian government, and the reasons are given in the auditors' report. That is why I propose to take a few minutes discussing that aspect of the subject. That sum of $1,770,000,000 owing by the railways to the government is made up as follows, in round figures:

Old Grand Trunk stock	$165,000,000
Canadian Northern Railway Stock	100,000,000
Old Grand Trunk debentures	15,000,000
Government advances for deficits	324,000,000
Government loans for capital purposes	337,000,000
Interest accrued by railways on government advances and loans	424,000,000
Government expenditure on Canadian government railways—what is known as the Intercolonial	404,000,000

That makes a total, again in round figures, of $1,770,000,000.

Mr. DUFF: When was that made up to?

Mr. EULER: This is in the auditors' report of last year. I will read briefly from that report to show how they propose to deal with the matter; they indicate that the amounts I have just given are not a truly accurate reflection of the position of the Canadian National Railways, and why they propose to adjust them so that they will give a fair picture of the situation. They say:

Misconceptions of net debt and annual budget position of Canada.

We consider that we should call attention to the effect upon the public mind in Canada and elsewhere when the national system and dominion public accounts are considered on a consolidated basis. In the last two years or so we have observed a tendency on the part of many to think erroneously of the national system capital liabilities and annual deficits as being additions to the net debt and the annual budget deficits of the dominion.

[Mr. Euler.]

Then they discuss the misconceptions. I have not time to quote the report in full, but they go on to say:

Recommendations with a view to correcting misconceptions of Canada's financial position.

With a view to establishing in the public mind a fundamentally correct interpretation of the effect of the national railways finances upon the dominion public accounts we would suggest that consideration be given to the following recommendations:—

I am going to boil those down just as much as possible and discuss the items which I have placed upon Hansard, not at any great length but discarding as far as possible what I think is unnecessary for my argument.

First, with regard to the old Grand Trunk stock of $165,000,000, the auditors would write that out completely. Why?

Because the Grand Trunk board of arbitration in 1921 declared the stock worthless and found the intrinsic property investment values to be substantially overstated on the books.

The stock is worthless, yet that amount of $165,000,000 has been carried on the books of the Canadian National, inherited from private ownership—and let those who favour private ownership not forget that point—as a liability when it was worth absolutely nothing at the time it was turned over to the Canadian National.

Second, they would write down the second item of $100,000,000 of Canadian Northern stock to $18,000,000—

—taking the Canadian Northern board of arbitration findings in 1918 as a basis for the capital stock valuation and the relative effect upon property investment account at that time.

The direct cost to the government was $10,000,000.

So there we were carrying another $100,000,000 of liabilities of the Canadian National as owing to the government for something which actually cost the government $10,000,000.

Third, they would write out completely the government advances for deficits—there may be some disagreement with regard to that, but I will give the report of the auditors—aggregating $324,000,000, "because it represents nothing but a contribution by shareholders to replace their impaired capital," just as in a private concern if money had to be placed in a private company to repair losses it would not be regarded as a debt; it would be simply replacing the capital. The report says:

This principle is already recognized in the absorption by the government—

That is the present government and I think they did right in this regard.

—of the 1932 and 1933 system deficits to the extent of $120,266,721.26.

They are simply advising that we do with past deficits what the present government has done with the deficits of 1932 and 1933.

Fourth:

Writing out completely the governmental grants in aid of construction represented by the old Grand Trunk debentures to the amount of $15,142,633.33 ... because this portion of the grants was placed junior to the old Grand Trunk stocks which were declared worthless in the 1921 arbitration.

That leaves two items; the amounts that were advanced specifically for capital purposes, one of something like $355,000,000. That actually went into the construction of the road, being actual capital invested. The suggestion of the auditors is that, instead of this amount plus the amount of $404,000,000 that was expended on the Intercolonial railway, being carried as an ordinary liability by the Canadian National Railways, they should issue to the government of Canada $760,000,000 in common stock, upon which necessarily no interest would be paid. That is, that amount which has actually been expended in capital would in an ordinary company be raised no doubt by subscriptions for stock and it then would not be an ordinary debt upon which interest would be paid, but it would be capital stock upon which dividends would be paid if any were earned and if they were not earned, it would not be kept on the books as a liability upon which interest would be compounded and pyramided from year to year. If these recommendations were carried out, there would be this situation according to the auditors; items now totaling $1,011,000,000 would disappear entirely from the railway company's account with the Dominion of Canada and the remaining $760,000,000 would appear not as a debt owed by the railways as a debtor to the government as a creditor, but as an investment by the government as I have explained before, and it would be subject as is said, to the ordinary risks of business. If there were a profit, the government would get a dividend. If there were a loss, it would not be carried on the books as a liability of the company for all time to come.

I have given this information for the purpose of showing that this matter is of very considerable importance to the people of Canada. It is only fair to the Canadian National Railways that the books should be rectified so as to show the exact condition of the railways with regard to their relation to the dominion government. The minister has said: Even if you write this down, it will not relieve the people of Canada by one cent from the necessity of paying interest. That is quite true and I for one would like to correct any opinion that has gone abroad, if it has, that if we write down the capital, we shall save interest. We shall not save anything at all. The amount of the Canadian National Railway debt that has already gone, that has already been absorbed into the debt of the country, is taken care of by payment of interest from time to time as the interest on the federal bonds matures. As regards indebtedness owing to the public, it goes as a matter of course that the interest on that has to be paid. But this would put the Canadian National Railways at a fair valuation in the eyes of the people of Canada; they would not be constantly told that this railway has cost us $2,700,000,000 or $2,800,000,000 and that our deficit from year to year is about $100,000,000. It is worth while doing this because if one thing has occurred within the last two or three years—and I regret it very much and I think some other hon. members also regret it—it has been this, that by misrepresentation of the condition of the Canadian National Railways either in regard to expenditures or capitalization the confidence of the people of this country has been shaken in the principle of public ownership of railways in a way that is not at all justified by the facts. As I said a while ago, the situation is bad enough, and speaking for myself I have advocated one way of avoiding the extreme waste by way of duplication and so on as between the two railways. I did not however rise to say that to-day because it is entirely a personal opinion.

Mr. MACKENZIE (Vancouver): Hear, hear.

Mr. EULER: The hon. member will have an opportunity of expressing his own views.

In conclusion, I would say that these changes if they are made would be in keeping with the facts and with common sense, and I think the government should give its immediate attention to the recommendations that were made in good faith by the auditors who are now being replaced. I would like to repeat: My chief reason for suggesting that the change in auditors be not made now is in order that the present auditors may appear before the parliamentary committee on railways which will be appointed, I hope soon, and which will be given an opportunity of meeting a little sooner than it did last year, and they may be of assistance to the committee by explaining the terms of their recommendations so that after the committee rises we may make an intelligent report to the house.

Mr. MANION: In regard to the last suggestion of my hon. friend, I am glad to tell him that the present auditors will appear before the committee this year. Nobody else could, they are the only people who know anything about it. Those we are appointing now naturally will not know anything about the matter yet, so when the special committee does meet it will be Touche and Company who will come to explain everything; my hon. friend need have no worry in that regard.

Mr. GRAY: I do not propose to follow at any great length the very able statement made by my colleague the hon. member for North Waterloo with respect to the report of Touche and Company of last year, in which they advocated that the debt structure of the Canadian National Railways be written down, as the hon. member has covered it very fully. It is quite true, as pointed out by the Minister of Railways, that there have been previous recommendations with respect to this matter. I think it was investigated by the board of audit in 1925 and subsequently. But I say that the report of Touche and Company made to the committee very late last session was the most comprehensive of all reports that have been made. Further, the minister states that there has been no requisition or suggestion by the board of trustees that any action be taken. It is true that the Duff commission in their report stated—I think this is the way it was put—that they frankly recognized that a very substantial part of the money invested in the railways comprised in the Canadian National system must be regarded as lost, and the capital liability heavily written down; and, as stated by the minister, asked that it be reported upon by the board of trustees. Hon. Mr. Fullerton, the chairman of the board, told the committee last year that he had been studying the matter ever since he was appointed. Mr. Fullerton said on May 25 last year, as reported in the first minutes of proceedings, pages 3 and 4, that he has been giving the matter of this writing down of the capital structure serious consideration, has studied the report fully; and on page 4 he says:

> It appears to me that it could be argued with much force that the writing down should even go further than has been recommended. However the matter in the final analysis is one for the parliament of Canada to determine.

I suggest to the minister that in Mr. Fullerton's recommendations as presented to the committee, he there and then said, I approve of what has been recommended by Touche and Company, and I pass this on to parliament, represented by the Minister of Railways and the government, to take action.

I recall quite well that we there and then urged that the minister, even at that session, or certainly at this, should bring in a bill to give effect to the recommendations of Touche and Company and the trustees. The minister cannot argue that we are still waiting for some further recommendations from the board of trustees. On this point I am in full accord with what the hon. member for North Waterloo has said, that we have not finished with this, in view of the fact that this report was not acted upon by the government, and regardless of the statement by the minister: Oh well, these auditors will still appear before the committee. Of course they will, because in fact they have been acting since January 1, 1935. The Prime Minister said a few minutes ago that their term of office expired December 31, 1934. But who has been acting since that date? It is a continuous audit. At the end of the first quarter we are asked to strike out the name of Touche and Company and substitute that of Clarkson, Gordon, Dilworth and Company. I urge upon the minister that Touche and Company be permitted to finish, and to give again their recommendations and conclusions since the last report, in view of the fact that the government have not acted upon it. I think that is only right. I cannot appreciate the very fine distinction drawn by the minister to-day between dismissal and a change. I say to him, and I think upon consideration he will agree, that when he cast the reflections that he did upon this company—

Mr. MANION: I cast no reflections.

Mr. GRAY: Well, the minister can use his own judgment what term is suitable for his statement that he had heard that they had been a party to the propaganda that he said was being sent out about the government. The Minister of Railways said either too much or too little.

Some hon. MEMBERS: Hear, hear.

Mr. GRAY: It is certainly up to him to substantiate these remarks on the floor of the house, because this is a reputable firm. Then for the purpose of his argument the minister goes to the Bank Act and states that bank auditors are changed every two years. The Prime Minister interrupted my hon. friend from North Waterloo when he said that this company had been auditors for some ten or twelve years, the Prime Minister said, No, only one year under the government. Well then, if under the government they have only been there one year, if it is only one year that this government have recognized

Touche and Company, surely they should be given at least the time that auditors are given under the Bank Act.

The minister has stated, and I think quite honestly, that these auditors are satisfactory. Let us see what the minister thought about changing auditors when this matter was first discussed, back in 1933, at the time of the Canadian National-Canadian Pacific bill. The minister's remarks will be found at page 4083 of Hansard for that year. The hon. member for Muskoka-Ontario (Mr. McGibbon) urged that year and again the next year that the auditors should be changed from time to time, and the Minister of Railways had this to say:

Mr. Manion: While I agree that if there is any reason for changing auditors, it should be done, at the same time my hon. friend should remember that the auditing of the Canadian National Railways' accounts is a huge job which requires special training and the following of a complicated set of rules. The auditing requires very elaborate work on the part of the particular firm that is doing the auditing, and unless there is good reason for a change, I do not think it would be wise for any government to change the auditors every year. The new auditors would have to learn the very complicated and elaborate system of accounting which is used, and I do not think a yearly change would be practicable.

Mr. MANION: Hear, hear, I still think that.

Mr. GRAY: Mr. Arthurs interrupted, saying:

You might trade with the Canadian Pacific every other year.

Mr. Manion: My hon. friend mentions the Canadian Pacific. I do not think the Canadian Pacific or any other big company changes its auditors yearly. I agree that if there were any reason for the change it could be made, and that is why it is proposed that the auditors shall be appointed annually, to give an opportunity for making the change if necessary.

Yet this government, if we are to accept the Prime Minister's theory, have changed them after one year, as far as the government appointment is concerned.

I agree that if there were any reason for the change it could be made, and that it is why it is proposed that the auditors shall be appointed annually, to give an opportunity for making the change if necessary.

And I ask the minister to note these words of his:

I think however it would be better to retain the same auditors so long as they were satisfactory.

"So long as they were satisfactory." Will the minister state to-day that Touche and Company are not satisfactory?

Mr. MANION: No, but I hope the new appointees may be more satisfactory.

Mr. GRAY: Then let us see what the minister had to say when this matter came up for consideration in 1934, as reported at page 845 of Hansard:

It has been decided, after a good deal of consideration, that the auditors who have been doing the work for a good many years—I do not know exactly how long, but eight or ten years at any rate—are so well trained in the work and are so capable that it would be wise to appoint them at least for this year. I am informed by the railway people themselves that it would take quite a long time for any group of auditors to learn the method of auditing such an immense system of books and accounts as are contained in this vast business. For example, I am told that there are no other chartered accountants in Canada who are familiar with the interstate commerce commission's type of accounting and the accounting of the Canadian National Railways is carried on under the same rules as those of the interstate commerce commission for the railways of the United States.

Mr. MANION: Was not that the same discussion as the other?

Mr. GRAY: No, this was last year.

Mr. MANION: Then we must have appointed them two years in succession.

Mr. HANBURY: You were consistent for one year.

Mr. MANION: That is more than you are.

Mr. GRAY: Let me go back. In 1932-33 we were merely discussing the Canadian National-Canadian Pacific bill. February, 1934, was the first time the bill was brought in by the minister under the act.

The Clarkson firm is one of the oldest in Toronto; its reputation is well known, but after inquiry the minister found that Touche and Company were the only auditors capable of performing the audit under the interstate commerce commission method of auditing. The minister so stated on the floor of the house, and we must ask the minister now what has brought about this change during the months that have passed since he made that statement in 1934. Is it part of the changing policy of the government? The minister said:

If it be true, as I am informed, that there are no other companies of chartered accountants in Canada who are familiar with that type of auditing, it would probably take many months for a new company to assume charge of the auditing and become familiar with it. Therefore, after a good deal of consideration, we felt that it would be wise, at any rate for this year, to appoint George A. Touche and Company, and I intend to move that the name

"George A. Touche and Company, chartered accountants of the city of Toronto" be inserted in section one of this bill.

I ask the minister if he has been quite fair in his statements to-day, and if there is not something that he has not told us with regard to this change. We can go back to the day when the Prime Minister, in connection with that same bill, told us that the railways no longer belonged to the people of Canada but belonged to those holding bonds. We can go back to his radio broadcast of January 2, 1935, when he told us that the return to prosperity depended upon the solution of the railway problem, but he left it at that for the next four or five broadcasts without explaining what he meant. We can follow him on to Toronto, to a board of trade meeting at which he stated that the solution of the railway problem is not a responsibility of the government but a responsibility of the people, and by that statement I say that he meant that it was a responsibility of the people to return him to power so that he could bring about the amalgamation of these two roads.

The minister says that adjustment of the capital structure is a dead issue. It is not a dead issue to the enemies of the Canadian National Railways. I agree that it does not make any difference with regard to the interest that may be paid, but it does make a great deal of difference to those who are piling up and pyramiding the interest on that debt structure. So while the minister deprecates it, laughs at it and says there is no justification whatever for it, I do submit that he has not satisfied very many on this side of the house with the explanation he has given for the substitution of the Clarkson firm for George A. Touche and Company.

Mr. MANION: Mr. Chairman, I rather think it would be somewhat difficult for those on this side of the house to satisfy hon. gentlemen on the other side, so I am not particularly worried about not satisfying them. Even if they were perfectly satisfied, as they indicated they were by their vote on the unemployment insurance measure, they would continue to criticise us, so it is a little difficult to satisfy my hon. friends, and particularly I have no hope of satisfying the hon. gentleman who has just sat down, and who has made every endeavour to turn this into a political question. He even dragged in by the hair of the head the old question of amalgamation, for which, by the way, no one on this side of the house has ever spoken so far as I know; not a man on this side of the house has ever come out for amalgamation, but at least two hon. members on the other side of the house have done so. So it is rather far fetched to try to drag in the question of amalgamation and use it against us. Within the last two months as Minister of Railways I have made two speeches, one in Smiths Falls and the other in Brockville, both of them against amalgamation, and I think probably I can speak more for the government than my hon. friend can, with all due respect to him.

For a few moments, Mr. Chairman, I wish to deal with the remarks of my hon. friend from North Waterloo, which were a good deal more moderate than those of the hon. gentleman who has just taken his seat. The hon. member for North Waterloo discussed the question of the recapitalization of the Canadian National. I quite admit his right to do so; I quite admit that it enters into the discussion here to-day, and I have no criticism to offer in that regard. But I do say that it is a very debatable question, and I am sure my hon. friend will agree. I admit as well that there are some items in the Canadian National balance sheet, charged against the Canadian National and debited to them as owing to the government, that might well be wiped out. I do not quarrel with that, but the question is the same as it was when his government was in power; the difficulty is to arrive at something in the way of a fair decision in regard to that balance sheet. I quite agree that the day will come when the balance sheet will have to be straightened out.

The hon. gentleman dealt with some of the items, and with some of his statements I have no quarrel at all. I agree that some of the items might well be dealt with but, as was realized by the late management and the late government, and as is realized I think by the present management and the present government, it is a question that requires a great deal of investigation in order to decide rightly as to what should be done. For example, supposing we did as the hon. gentleman suggests and wiped out, not the $270,000,000 of stocks which are charged up against them, which item I think should be reduced to about $18,000,000, but a great part of the other liabilities charged up to the Canadian National in the railway balance sheet. It must not be forgotten that the greater part of those debts represent actual money paid either for capital expenditure or for interest upon some of that money. My hon. friend agrees that this is correct. Well, there are those who rightly say, "Why should we hide the picture?" That is the argument of the other side, and if we carry out the

suggestion of the hon. gentleman and wipe out some of the capital liabilities of the Canadian National to the government, then the charge will be made that this government or whatever government takes that step is merely trying to hide some of the cost of the Canadian National to this country. If my hon. friend has any idea that by hiding these costs instead of keeping them in the open, on the books of the Canadian National, we will stop those who want to talk about them, he is much more optimistic with regard to the enemies of the Canadian National than I am.

Mr. EULER: Why, then, are they absorbed in the national debt and not carried on the books as an asset?

Mr. MANION: The answer, obviously, is that they do not consider them worth anything.

Mr. EULER: Then why carry them as a liability on the books of the Canadian National?

Mr. MANION: We do not carry them as Canadian National debts.

Mr. EULER: Who controls the Canadian National?

Mr. MANION: It is controlled to a large extent by the trustees, but of course they could not make a change of that kind without the statutory sanction of this parliament. But I do submit that if we wiped out some of these debts we would be simply hiding them, and the very same people who are going around the country to-day talking about the debt of the Canadian National Railways would make the statement that the government was being unfair to the people of Canada in trying to hide part of that debt. They would use the same figures, because those figures are easily obtainable. Any member of this house can ask for a return showing just how much money has been paid to the Canadian National, the Canadian Pacific or any other railway company, and they have done so. Surely my hon. friend does not suggest that if part of those debts were wiped off, the enemies of the Canadian National would stop speaking about them. If he does make that suggestion I do not agree with him.

Mr. EULER: I do not like to interrupt my hon. friend because he is arguing reasonably to-day.

Mr. MANION: Why "to-day;" I am always reasonable.

Mr. EULER: I should like to ask the minister this question: We know that comparisons are always being made between the Canadian Pacific Railway and the Canadian National Railways. Supposing, for example, that in any one year the Canadian Pacific Railway lost, we will say, the sum of $25,000,000 or $50,000,000, would that be charged up as a liability to stand against them forever? No, they would simply absorb the loss and forget it. Why should the Canadian National Railways carry those losses as a debt against themselves and the Canadian government?

Mr. MANION: I do not quarrel with the hon. member for having used that argument. That is what a private corporation would do, undoubtedly—but this does not happen to be a private corporation. It happens to be a public corporation owned and more or less controlled by the government of Canada. I admit quite freely that the hon. member has some right in his argument, but I contend that on the other hand the other side has rights. I submit they could not be prevented from speaking about the hidden debts simply by hiding them.

I wish to point out just how difficult it is to understand the situation. The hon. member for North Waterloo, who is one of the intelligent members in the chamber—and I say that quite frankly—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: The hon. member has been studying the question for many years. He has spoken about public ownership, and yet he stood in this chamber this afternoon and made a wrong statement in regard to interest charges accrued on the books of the Canadian National Railways. I use this illustration simply to point out how difficult it is to understand the matter. The hon. gentleman said that while we are telling throughout the country that the Canadian National Railways deficit was nearly $100,000,000 there was $1,700,000,000 charged up by the government against the Canadian National Railways, and that the interest on that amount was being charged against the railways.

Mr. EULER: No, I never said that.

Mr. MANION: The hon. member gave that impression, probably he would correct it.

Mr. EULER: This is the statement: When those who are the enemies of public ownership figure out the deficit on the Canadian National Railways they will take, first, the interest on the funded debt to the public, which this year is about $50,000,000, and which has to be raised

out of taxation. Then there is the other debt owing to the government of $1,700,000,000 which they say the government has advanced in one way or another to the Canadian National Railways; but that is not true. It is true to some extent—deficits, loans, advances and so on; those are accurate. But some of the other items the minister knows should not be included. For instance, there is the value of stock taken over from the Canadian Northern and from the Grand Trunk. Then the enemies of public ownership take that $1,700,000,000 and say that since the Canadian government advanced that money there is interest to be paid on it. Then they figure the interest on that amount, add it to the interest on the funded debt and make up a loss or deficit of $100,000,000 or more.

Mr. MANION: That was the hon. member's statement, and that is exactly what I said.

Mr. EULER: It is not untrue.

Mr. MANION: I will show where it is untrue. They do not compute the interest on $1,700,000,000 at all.

Mr. EULER: Who does not?

Mr. MANION: They compute the interest on $600,000,000. My hon. friend is a good mathematician, and he could very easily figure out that if you take five per cent of $1,700,000,000 you have $85,000,000 of government interest, alone.

Mr. EULER: So you would.

Mr. MANION: Yes, but they do not take that. What they take is this: The money that was put out by the Canadian government in the past decade for the Canadian National Railways was, first, the money paid for the construction of the Intercolonial railway, and the Transcontinental and other government lines amounting to $400,000,000. But no interest has ever been charged on that—none whatever. That is the first.

Mr. EULER: But—

Mr. MANION: Let me finish. The hon. member may correct me if I am wrong—but I am not wrong. Then, secondly, there was a little over $600,000,000 loaned by the Canadian government to the old Grand Trunk, to the Canadian Northern and so on. It is only upon that sum that interest is ever charged. It is not charged upon the $1,700,000,000.

Mr. EULER: By whom?

Mr. MANION: By the railway books. But let me finish.

Mr. EULER: All right.

[Mr. Euler.]

Mr. MANION: As my hon. friend has said the deficit last year was over $50,000,000. In that year, 1933, the railways were $3,500,000 short of paying the interest charges on the debt due the public. Since the interest last year was a little less than $57,000,000, roughly speaking, and they were $3,500,000 short on income account the deficit was roughly $60,000,000 that year. Then they get the figure of $100,000,000—sometimes $90,000,000 and sometimes $100,000,000—by adding the interest charged in the books of the railways on that $600,000,000. If my hon. friend will look up the report he will see that that is correct. I know I am right, because I have the figures right here. The interest figures on government loans given at the bottom of page 11 of the Canadian National Railways report for 1933 is shown as $36,000,000. That is accrued annually against the Canadian National railways on the books of the company as owing to the government. That is interest. It is shown plainly in the balance sheet. The balance sheet shows the government railway construction account as $404,000,000, and no interest has ever been charged upon it at any time. Then the balance sheet statement shows $661,000,000 as loans from the Dominion of Canada. Part of that was used for deficits, and as the hon. member pointed out quite properly, part of it was used for the capital expenditures of the Canadian National railways.

It is only upon that $661,000,000 of government loans that interest is charged—not on the total liability figure of $1,700,000,000 at all. That is what I have been pointing out to the hon. member. I am not finding fault with him, but I wish to say to hon. members of the committee that the hon. member makes a mistake when he stands in this chamber and in discussing this matter states that we have charged the railways with interest on $1,700,000,000.

Mr. HANBURY: The minister did not understand what the hon. member said.

Mr. MANION: He repeated it a moment ago; however we will leave it to Hansard. I am not trying to find fault with the hon. member. I am merely showing the difficulty which any ordinary citizen must meet who does not understand the situation; the facts are very difficult to understand. Hon. members find difficulty in understanding them, because they are dealing with a most complicated matter. I should like to ask the hon. member or any other member in the chamber how many citizens in Canada could state the national debt, if they were asked. I

would say that probably not one in a hundred thousand could tell what our national debt amounts to. So if the hon. member thinks we will help out the situation confronting the Canadian National Railways by hiding some of the moneys actually paid by the government of Canada and putting it behind a curtain, so to speak, he is much more optimistic about it than I am.

Mr. BEAUBIEN: If it is so difficult for the minister and members of the committee to understand the position of the Canadian National Railways does he not think that fact would be a good argument for keeping the present auditors.

Mr. MANION: Well, if the present auditors have been on duty for twelve years, as has been pointed out, and we have not succeeded in learning much about the situation, I do not think it is necessary to keep them for another twelve years. However, that is by the way.

I think the hon. member said that we had waited four years to make the change. He intimated that we had been in power four years and that the same auditors had done the work. But if we took the attitude that because other auditors coming in will have to learn the methods of the inter-state commerce commission, as was pointed out by the hon. member, and if it is going to take them some months to learn all the details, then, following that argument we could never change the auditors of the Canadian National Railways. We would never be in a position to do that. My hon. friends opposite would come back and try—no doubt they probably would—to change from Touche and Company to some other firm. They might very well do that, without any reflection upon Touche and Company, and they would be tied up with the same argument. In other words, if that were the case we could never make a change.

Mr. BEAUBIEN: The reason I asked the question was that the minister made the statement that Touche and Company were very competent.

Mr. MANION: I do not question that. I consider Touche and Company are competent, but I also submit the firm of Clarkson, Gordon, Dilworth, Guilfoyle and Nash are competent.

Mr. EULER: Do you think the railways can carry all that?

Mr. MANION: They have carried a good deal.

Mr. MACKENZIE (Vancouver): Another liability.

Mr. MANION: This is one of the outstanding firms in Canada; of course there are others. For instance the Canadian Pacific Railway do not employ Touche and Company but they seem to have their books audited all right.

Mr. HEAPS: Has the Canadian Pacific Railway changed auditors?

Mr. MANION: I do not think they have in recent years.

Mr. GRAY: The Canadian Pacific Railway are not under the inter-state commerce commission.

Mr. MANION: Quite true.

Mr. GRAY: In the second place the minister said they should not be changed as long as they were satisfactory, not merely that their services were satisfactory.

Mr. MANION: Well, perhaps I did although I do not remember saying quite that, but I will accept the hon. gentleman's word. But I submit that I am of young enough mould that I can change my mind. I take that for granted, and let it go at that. I am not going to argue about that at all. Lincoln once said that anyone who does not know more this year than he did last had not much brains to know anything at all.

Mr. HANBURY: What do you know more this year than you did last to account for this change?

Mr. MANION: It is simply that I and the government are of the opinion that it would be a good thing to bring in new blood, a powerful organization to come in and make suggestions, just as it would be in regard to other matters.

I do not agree with some of the remarks of some hon. gentlemen opposite. I think it was my hon. friend from North Waterloo who said this was an indignity.

Mr. EULER: I think I said that.

Mr. MANION: He said that it was an indignity upon Touche and Company that they should be changed. There is no indignity cast upon them at all. They have not a perpetual stranglehold on this job. It pays $50,000 a year, plus some expenses, not very great. Is it to be taken that for all time, from now until eternity, if we still own the railways when eternity has arrived, we must

keep Touche and Company? Have not other people some rights? Cannot the auditors be changed without casting any reflection upon Touche and Company at all?

I want to deal now with one or two other points. My hon. friend mentioned that he would like to see the special railway committee meet early. Well, that committee meets when there is business for it to deal with. We cannot meet at the present time because we have nothing for that special railway committee to deal with. The committee meets as a rule as soon as the report of the Canadian National Railways is submitted.

Mr. EULER: It did not last year.

Mr. MANION: It may be that it did not meet quite so soon last year, but it will be meeting soon this year. Last year it met on May 25 for its first meeting, and its last meeting was some two or three weeks later, on June 6. We were entirely in the hands of the committee. I can well remember that some members of the committee, and they were not all on this side of the house, suggested—let us get through with this committee; have we not dealt with the matter long enough? Finally after some lengthy discussions the committee as a body—I do not control the committee—adjourned. As I say, its last active meeting was on June 20, and it did not put in its report until June 29, and consequently we could have gone on and met for weeks after the committee adjourned. I had no way of controlling the meetings of the committee. It can meet just as often and for as long as it likes, providing only that we are willing to discuss the different matters that come before it.

The hon. gentleman said that his chief argument against this change was that he wanted Touche company before the committee again this year. I want to emphasize that they will be there again this year because they were the auditors for 1934, looking into the affairs of the Canadian National Railways.

I just want to say this in conclusion, and I say it very sincerely. I have tried to carry on the debate in a reasonable way, perhaps just a little more reasonably than my hon. friend from West Lambton, but we will let that pass. There is no mare's nest about this thing, no plot, no attempt to strangle the Canadian National Railways in any shape or form. Incidentally it might be of interest to this committee to know that within the last six weeks, in the first six weeks of this year from January 1 to February 14, the Canadian National Railways, according to the reports given to me, increased their earnings over the same six weeks last year by $1,223,905, while the Canadian Pacific had a decrease in the same period of about half a million dollars. I mention that to show that the Canadian National seems to be taking care of itself pretty well, and that it is efficiently and well managed. It seems to be doing its share of the business and I do not think there should be such a hurry on the part of a member or two to endeavour to show that we are trying to injure the Canadian National Railways in some way or other. I do not think any decent Canadian would attempt to injure the Canadian National Railways. After all we own the road, we have put our money into it, and I do not think any member would intentionally try to damage the road. We may do so unintentionally, as I charged my hon. friends opposite last year with doing, but not intentionally, although perhaps I might have done even that in the heat of the moment. As Canadians, I do not think any of us would try to do harm to the Canadian National Railways. We have too much interest in it, too much at stake. If we injure the Canadian National Railways we injure the credit of the whole country.

Mr. BEAUBIEN: Did not the minister try to injure it when he recommended the construction of the Mafeking cut-off?

Mr. EULER: Probably the discussion is more or less purposeless, especially the personal interchanges. I was referring to the statement of the minister when he credited me with a certain amount of intelligence and said that nevertheless I had made a mistake. Yet he himself was so absolutely sure. I say to him, and it may not be for any lack of intelligence because he is intelligent, that he is quite wrong. He says that I stated a certain thing. As a matter of fact we are talking about two different things, and I will be generous enough to say that we are probably both correct. He stated to the committee, and he will probably correct me again, with regard to that $1,700,000,000 owed by the railways to the government, that I had said the railway figured interest on that amount. I never said anything of the sort. I said that the enemies of public ownership, and he can look for them in a great many places—

An hon. MEMBER: Around him.

Mr. EULER: I do not know that they are around him, but I say that the enemies of public ownership, journalistic or otherwise, do figure the interest on every red cent that ever was put into the Canadian National Railways or is charged against the Canadian National Railways on the books of the company.

They charge it on every amount they possibly can. I have seen them in some newspapers swell the deficit to over $100,000,000. That is what I said. I did not say that the interest on the whole sum is credited to the government on the books of the company.

I am in entire agreement with the minister in his last remarks. Although I do not agree with it usually I do not believe this government is deliberately setting out to wreck the Canadian National Railways. I would not like to make that charge against anybody, no matter how bitter an opponent he might be. The only purpose I had to serve was this, to conserve the Canadian National Railways and to preserve the morale of the Canadian people so that they are not misled. Let them get a true picture of the liabilities of the Canadian National Railways, nothing more and nothing less.

Mr. HEAPS: I would like to say a word on this question. The debate this afternoon has resolved itself more or less into a discussion of the capital structure of the Canadian National Railways. During the whole course of this discussion I have waited for some reason to be given for this change in auditors, but so far I have not heard one word given as to why such a change is necessary in the auditors for the Canadian National Railways, except this, and I do not think this could be given as a valid reason or even as an excuse, and that is that the banks change their auditors every two years. I think, Mr. Chairman, that governments in the past have been too apt to follow the lead of the banks and I think if they would follow the lead of some other interest it might be more beneficial to the people of Canada.

I do not know the firm of Touche and Company at all, and I know very little of the other firm that it is proposed to appoint in their place. But if the services of Touche and Company have been satisfactory I can see no good reason why they should be changed, except for the reason the minister gave in his last sentence or two when he said that bringing in a new and a powerful organization might lead to the government receiving certain suggestions in regard to the railway; in other words, bringing in a new doctor to look over the patient.

Mr. MANION: Or new members of parliament, as is often done.

Mr. HEAPS: Or new undertakers. May I give this illustration to the minister? Probably in the next few months the government will appeal to the people and no doubt they will tell the people what a splendid record they have behind them in the past four years.

Mr. MANION: Hear, hear.

Mr. HEAPS: The minister agrees with that statement. On the strength of that record for the past four years the government will appeal to the people for a new mandate. They do not expect a change, do they?

Mr. MANION: But they may get it.

Mr. HANBURY: They certainly will.

Mr. MANION: One never knows in politics; the government in Ontario did, you know.

Mr. SPOTTON: Now that the election is over, who is the new Minister of Railways?

Mr. HEAPS: My hon. friends feel that because of the good service they have rendered they ought to be retained in office. Should not the same principle apply to those in the government service? If a firm of auditors have given good service, I do not think there is any valid reason why they should be changed.

An hon. MEMBER: But you object to monopolies.

Mr. HEAPS: This is not a monopoly. When an employee of the government has given good service—and in this instance it is generally recognized by the government, by the opposition and by all parties that these people have—I do not see any good reason for the change. I think the principle is bad, unless it has come to be recognized as the practice to change auditors every few years. But that has not been the practice. I asked the Minister of Railways whether the auditors in the Canadian Pacific Railway had been changed and his answer was in the negative. Well, if that principle is good enough for the Canadian Pacific Railway surely it is good enough for the Canadian National. I was anxious to hear something said as to why there had been a change in the personnel of the auditors but we have been given no reason at all, and unless there is something more valid than the reason given so far by the Minister of Railways for changing auditors, unless it can be shown that their services have not been satisfactory or that better results can be obtained by dispensing with them, then I submit that no change should be made.

Mr. NEILL: One of the effects of this bill is to remove the firm of George A. Touche & Company from a no doubt profitable contract with the dominion government. If that is the object then I am tickled pink to vote for it. It is a long lane that has no turning. My mind goes back to the spring of 1932 when a special committee was appointed to investigate the price of gasoline, and that committee appointed George A. Touche & Company to make an investigation into prices charged. I was not a member of the committee, but one member in discussing the matter in the house spoke as follows, as reported at page 1645 of Hansard of November 25, 1932. He said:

If two experts had been sent out by the oil companies to justify a higher price for gasoline they could not have found two men who could have done the work better. These men reported that the oil companies were not charging too much. . . . At that time the committee said, "We do not want that sort of information; we want the facts and figures in order to draw our own conclusions." As a matter of fact the auditors brought in their conclusions without the actual figures. After arguing with them for a whole day we did manage to obtain a few figures, and they told us that if we wanted the other information they could figure it out but they did not have it prepared. So far as the committee was concerned the work done by those men was very unsatisfactory, though no doubt it was satisfactory to the oil companies in general.

Because of that job we had to pay $11,233, and I brought the matter up in the house. The Prime Minister used this language:

I may say that like the hon. gentleman I thought the amount was very large. . . . We did not ask that the account be taxed, because you cannot tax it, but we asked that it be moderated.

Further on I protested again, and the right hon. gentleman said:

No bargain was made antecedent to the employment being given to this firm. They have rendered an account which was referred to me personally and I could find no way by which it could be reduced.

That shows the spirit in which the Prime Minister regarded it, and I thereupon replied:

If that is the case, there is no use in my wasting the time of the committee. At the same time, it is a good thing to uncover these things as they can be remembered the next time we need the services of accountants.

It was also complained that they had brought back a whitewashing report which they had not been asked for. It is said in Scripture that he who is faithful in a few things will be faithful in many, and the converse is true. These men gouged us three years ago and I am pleased to vote for their removal.

Sir EUGENE FISET: To come back to the discussion of the bill itself, has the government taken steps to consult the trustees or to obtain from them a recommendation with regard to the change of office? It seems to me, in view of the numerous statements that have been made by the minister himself that the government has had nothing to do with the administration of the railways, and as we have taken the trouble to place in the hands of the trustees the complete and absolute administration of the system I think it would have been at least a matter of courtesy for the government to ask for a recommendation from the trustees themselves.

Mr. MANION: The hon. gentleman has asked a proper question, but I do not consider that this or any other government should consult the trustees in this regard because this is an audit for the parliament of Canada. They have their own auditors, and they have nothing whatever to say in regard to these auditors. I will read once more a section of the act passed in 1933 bearing on this subject:

A continuous audit of the accounts of national railways shall be made by independent auditors appointed annually by a resolution of parliament and annually reporting to parliament in respect of their audit.

That is section 13, subsection 1, of the act of 1933. These are our auditors, not the trustees', and I do not consider that the trustees should be consulted. Indeed, if we did consult them I think we should be doing wrong, because they have their own auditors.

Sir EUGENE FISET: The answer to my question is no.

Mr. HANBURY: Who have been acting as auditors since December 31, 1934?

Mr. MANION: The same firm, and they will continue to act, unless they are recreant to their trust, until the others take over; and they will be paid in the ordinary way. I do not think there is any reason for assuming that they will not report.

Mr. EULER: When will the others take over?

Mr. MANION: Not until we pass the bill, I have not thought of the date, but it will be perhaps the middle of next month.

Mr. HANBURY: The statement has been made here this afternon that we have as yet been given no reason why a change is being

made. I think the minister has given a very good reason why it is being made. He said it was the opinion of the government that the new auditors would be more efficient.

Mr. MACKENZIE (Vancouver): More satisfactory, he said.

Mr. HANBURY: I am going to give him credit for meaning efficient. If that is the opinion of the government I am prepared to subscribe to it. I do not see any reason why auditors should be continued in office year after year regardless of their efficiency, and there is only one suggestion I have to make to the minister, a suggestion which I think in all fairness he should adopt. The minister left the impression with me, and I think with a good many other hon. members, that he had some reason to believe—he used very guarded language—that the present officers of Messrs. Touche & Company had been lending their assistance to propaganda that had been spread across Canada in the newspapers, in order that the government might be embarrassed in making the change. That is the impression left on me and I believe on many others, and I submit that in fairness to the members of the committee as well as to Messrs. Touche & Company he should either go further in his statement and try to show to what extent it is true or else make an absolute retraction so that the members of the committee will feel that perhaps the matter is not as bad as we have been led to believe. The minister has said also that all the members on the government side of the house were supporting the Canadian National Railways and that there was no suggestion by any member of the Conservative party that there should be any amalgamation or unification. I am quite prepared to accept that; I cannot give any evidence to the contrary. But I do say this, and I say it in fairness to the government and in all seriousness, that there are many people in Canada to-day who question the policy of the government with reference to amalgamation and would welcome a reiteration by the Prime Minister of his 1930 slogan—amalgamation never, competition ever. I am suggesting to the Minister of Railways that in view of the situation and of the agitation that has been carried on for the last few months and, indeed, for the last few years, it is only fair to the people of Canada that the Prime Minister should again make a statement in that connection.

There is one suggestion I will make to the minister and of course he knows whether he will accept it. He says that Touche and Company have been acting as auditors so far this year, and, further, that they will be appearing before the special committee on railways and shipping, so that their work will continue for some time. I suggest therefore that the date in this bill might very well be changed so as to appoint the new auditors for the year 1936. In other words, let us continue the present auditors during the year 1935. That would in the first place answer any possible suggestion that Touche and Company were being discharged on the basis of inefficiency, and in my opinion the government would be quite justified in making the change in view of the fact that they have the responsibility of saying who the auditors are to be. But as the present auditors must of necessity carry on for some time and as the change should be made at the end of the calendar year, if the minister would make the suggested change in the bill to have it read: "1936," that would meet the situation and satisfy everybody; in so far as I am concerned it would satisfy me.

Mr. MANION: In regard to the first statement made by the hon. gentleman as to what I have said about Touche and Company, I shall endeavour to repeat my words so far as I can remember them—and I did not say them without ample thought—because I do not think he will claim I have anything to withdraw when I repeat them so far as I can remember. My statement was that I had been told that Touche and Company encouraged the propaganda, or something to that effect. I said that I hoped this was not true and I could not believe it was true because if it were, they would have proved themselves recreant to their duty and should have been removed. That is what I intended to say and I think that is what I said.

Mr. HANBURY: May I interrupt the minister? If he did not believe it was true, why did he even make the suggestion? Was it fair to do so.

Mr. MANION: Well, that is questionable. I did further state that some of the information that was being used almost looked as if it came from the auditors, and I repeat that. I have not anything to withdraw. I have said this afternoon three or four times that I am not nor is the government reflecting on Touche and Company. So far as I am concerned that is sufficient for them; at least it is all they are going to get. So that probably is clear enough.

In regard to my hon. friend's suggestion as to the carrying on of the present auditors, I think there is very good ground for what he suggests, and as a matter of fact the thought

came into my head that we would have to do something of the sort, because the auditors of last year, that is Touche and Company, really were automatically discharged on December 31. In the original act under which we appoint these auditors, the one from which I quoted, the Canadian National-Canadian Pacific Act of 1933, section 13, subsection 2 reads:

> Notwithstanding anything in this act contained the now existing auditors of the Canadian National Railways shall continue in office and perform their duties as such until their successors have been appointed under this act and have commenced to perform their duties.

I think wording such as that would cover the ground. I would not like to do this right off the bat, so if my hon. friend will accept my word, on the third reading of the bill I shall endeavour to cover the ground suggested by him when the time comes.

Mr. HEAPS: When do the services of Touche and Company terminate?

Mr. MANION: I pointed out to some other hon. member that they will automatically carry on until their successors take over. We are legalizing this.

Mr. HEAPS: When will that be?

Mr. MANION: I am afraid my hon. friend was not listening. A few minutes ago somebody else asked the same question and I said that it could not be until after the act received its third reading; it will be some time after that. It will be the earliest time possible after the act has received its third reading, had the approval of the other house and is assented to by His Excellency.

Mr. SANDERSON: I take it from the minister's statement of a few minutes ago that the remuneration to Clarkson, Gordon and Company will be $50,000 plus expenses. About how much would the expenses be?

Mr. MANION: I had occasion to look that up. Last year they were between $4,000 and $5,000. I am speaking subject to correction, although I think I am right. No expenses are paid for services in Montreal, but expenses are paid where any of their auditors are sent out on the line. Any auditing firm auditing such a huge business organization as the Canadian National Railways must have auditors on the work continuously and some of them have to travel throughout the country. When they do so, they are paid expenses. Last year they amounted to something like $4,000 or $5,000.

Mr. SANDERSON: What is the amount that has been paid to Touche and Company?

Mr. MANION: It is $50,000 a year.

Mr. SANDERSON: There is no change in that amount?

Mr. MANION: No.

Mr. STEWART (Edmonton): I am not particularly interested in the discussion as to the change in auditors although I think the minister might have had a better reason for suggesting the change than the one he has offered, for after all, from the statement of the minister, those auditors appear to have been giving perfect satisfaction. But I want to say something in connection with all this railway discussion and particularly with regard to the propaganda that is going on from some sources in Canada and that persists in going on despite the repeated statements of the minister himself, speaking on behalf of the government, that there is no intention on the part of the government to consider amalgamation of any sort. That should settle the matter so far as the government is concerned, but despite those statements there is a persistent propaganda being carried on throughout Canada that the Canadian National Railways is the big problem or one of the big problems to be met and settled by the government either now or at some future date.

I would like to suggest to the minister that he consider the writing down of the capitalized debt of the Canadian National Railways because I agree with the hon. member for North Waterloo that the government persist in capitalizing this road to the fullest extent possible, charging interest upon this capital and thereby presenting such a picture to the Canadian people that if amalgamation or perhaps absorption, which would be worse in my opinion, of another corporation were considered, that would perhaps meet with some approval by the public. I am one of those who dread that sort of thing because I have lived in western Canada under conditions where we had one corporation. I do not say that they did not render service, but they rendered service when it pleased them and not when it was satisfactory to the shippers. I think anyone who has lived through that period will agree with me.

I was a member of a government that did perhaps foolish things in order to try to correct that situation; I admit that now. Those are all incidents of the past, but we have this problem on our doorstep and it is one that, I agree with the most ardent propagandists with regard to the matter, is

giving us the greatest concern. In the first place I would like to see the capital structure reduced to proper proportions; I do not think it should be carried in the condition it is in to-day. This is not the first time I have voiced this opinion. I believe also during these troublous periods, this period of depression, both railways have not been paying proper attention to maintenance and a heavy bill for maintenance charges is being piled up that some day or another will have to be met. That is, maintenance will have to be undertaken much more extensively than is now being done by either railway company. I do not think one can criticize one any more than the other. They are absolutely necessary for the people of this country. But I ask the Minister of Railways and the Prime Minister to place before the Canadian people something that is never emphasized as it should be, namely that we enjoy a lower passenger and freight rate structure in this country than do our neighbours to the south, where the railways are under private ownership. That is something that is largely lost sight of. When there is so much talk about the capital and debt structure of the Canadian National Railways, and the interest charge that the Canadian people are paying, it seems to me that the other side of the matter should be brought to the attention of the Canadian people. I am not in possession of actual figures, but perhaps the contribution which we are making by way of interest charges from public revenues is largely offset by our lower traffic rates. That may or may not be a good thing, but if we ever get into the situation of having no national railway it would not be long before the Canadian people would be asked to make good that so-called loss in interest by way of increased traffic charges. That is one reason why I am very much in favour of preserving the national railways as a national undertaking, controlled by the government of this country. I think it is highly important. I know that is foreign to the present discussion, but I want again to emphasize that point, as I have on former occasions, because I believe it is one that is being ignored by those who oppose the situation as it exists to-day, and it is not constantly placed before the public as it should be as a reason why we have to carry that added burden during this troubled period. I suggest to the minister that he give earnest consideration to the writing down of the debt structure.

I know nothing about Touche and Company or the abilities of the gentlemen whom it is proposed to place in charge. The government will have to take the responsibility for that; they have taken the responsibility for making other changes in management and will have to bear any criticism that may result from the exchange. But the other matter I think is highly important in view of the propaganda that is being constantly launched against this undertaking from one end of the country to the other.

Mr. BENNETT: The railway rate structure in this country is, as the hon. gentleman says, very low. But I wonder if he has noticed the advertisements appearing in the eastern press lately quoting a Vancouver newspaper editorial in which the demand is made that there be an immediate reduction in freight rates?

Mr. STEWART (Edmonton): Yes, I have.

Mr. BENNETT: On every occasion that I have had the opportunity, and I think the same statement is true about most public men in Canada, we have pointed out that, for instance, grain rates in western Canada for some hauls have been as much as twenty per cent lower than in the United States. And frequently we find Americans pointing to our rates as being lower than theirs. But the other side of it is indicated in the advertisement to which I have just directed attention.

With respect to the capital structure of the Canadian National Railways, I could not be in the chamber during the whole of this discussion, but there is one reason why at present it cannot be touched. Doubtless every hon. member knows that the Grand Trunk people are still proceeding with their litigation against this country in connection with the taking over of that system. Mr. Lovibond's case in Ontario was disposed of by the Canadian courts adversely to his contention, but there is now before the privy council a petition from that gentleman in which he asks that certain things be done. To disturb that capital structure until this litigation is ended is something that I think almost any man would agree should not be done. I do not know how many hon. members have studied the situation, I assume many have; it is a most complex and difficult one. Scarcely any Canadians go to London without someone beginning to talk to him about the Grand Trunk situation, and undoubtedly many receive letters about it. Litigation was commenced in the United States and in the courts of Ontario. The case of Lovibond versus the Grand Trunk—or the Canadian National, I think it was; I forget the exact name of the defendant—was disposed of by our courts, as I have said, adversely to his

contention. Now the matter stands with this petition asking the privy council to reopen and hear again the whole matter.

I do not suppose many hon. members have really followed the point at issue. It will be remembered that this country offered to settle with the Grand Trunk for a certain figure. That offer was declined.

Mr. HANBURY: With the shareholders.

Mr. BENNETT: Well, it was a representative of the company. There are so many classes of shareholders. Certain difficulties arose to which I shall presently refer. Then the matter was arbitrated, and it will be recalled that the case went ultimately to the privy council, and the privy council sustained the arbitration award. But that has not stopped the agitation on the part of certain classes of shareholders, who contend that their position was not properly represented, either at the arbitration, in which Chief Justice Taft of the United States represented the shareholders of the Grand Trunk, or to the Canadian government. They have proceeded with litigation. I do not know whether or not the house recalls the fact that the legislation which enabled action to be taken was placed upon the statute books by the government of which Mr. Meighen was the head, but the arbitration was not disposed of in the privy council until after he had been succeeded by the present leader of the opposition (Mr. Mackenzie King). When the Grand Trunk arbitration decision was given by the privy council, in virtue of legislation which had been passed an order in council was put through here that wiped out the Dashwood house register of shareholders of the Grand Trunk, and substituted the name of the Minister of Finance as the shareholder of the road. You can readily see what opportunities for differences of opinion might arise from the enactment of that statute and the passing of the order in council under it. This litigation which is still pending is of such a character that I do not think that this country should lightly disturb the status quo with respect to capitalization until it is disposed of. That was in the mind of the former president of the Canadian National, I know, because he was not aware of the position which was taken by these shareholders until after he went to England and a number of them waited upon him, as they did also upon the former prime minister. One set of them demanded a fiat on a petition of right. They did not endeavour to secure the fiat for a long time, and then successive governments have not taken any action in that regard, so they launched a simple action in the courts, which has been disposed of by the court of appeal in Ontario and is now in the position I have indicated. I think most members of the committee will realize how unwise it would be to touch this matter until such time at least as this litigation has been disposed of.

As far as concerns the writing down of the capitalization of any company, it is well known that the methods to be pursued and the reasons for the action to be taken have been settled by long lines of decisions. It is well for this young country that an investment which it has made in railroads and which has become valueless should be constantly before it as a deterrent from practising the same thing in the future.

Mr. EULER: It was valueless before they took it over.

Mr. BENNETT: It could not have been done without the action of this parliament, representing the people of the country, and it is well that the people should have before them a constant reminder of the mistakes they have made in the past, in order that they may be avoided in the future. It is like punishment in criminal cases, which is for two purposes; one the mere punishment, the other for deterrent purposes. I think the deterrent effect of being constantly reminded of something is very useful. It cannot affect rates, as the hon. member for West Edmonton realizes; it cannot affect anything at all in connection with the company, except to remind us that we made tremendous mistakes and that it will be a very long time before we can eliminate the results of those mistakes. It does not, as my hon. friend the Minister of Finance says, help us any in regard to having to continue to pay in hard cash the deficits that accumulate from year to year. If cutting down this capital structure would lessen the deficit that had to be paid one could understand something about it, but when it does not touch that obligation in any shape or form, direct or indirect, the idea of entirely eliminating it would mean that we would hide from ourselves the position that we ourselves created, and assume that we were in a position which we were not in, for we still have to pay the deficits which arise out of the operation of the property.

My only reason for rising at all was merely to indicate what I trust the committee realizes, how unwise and unsound it would be to endeavour to take any action with respect to the matter when litigation so serious in its possible consequences is still pending.

Mr. STEWART (Edmonton): The answer given by the Prime Minister is the one I received from colleagues of my own when I pressed the same question, but I have always felt that it afforded opponents of the national system the opportunity to make unfair comparisons between the national system and the privately owned system, owing to this very debt structure.

Mr. BENNETT: Oh, no.

Mr. STEWART (Edmonton): I will just take a moment to explain why I say that. The right hon. gentleman knows better than anyone else the amount of land contributed for the construction of the Canadian Pacific railway. In no way does that appear as a charge in the capital debt of that railway.

Mr. BENNETT: It is an asset.

Mr. STEWART (Edmonton): Yes, but it is not set out in the capital debt of the railways, and it is just as much a contribution by the Canadian people as the cash that is turned over to the national system every year. On that count alone I have always urged that the two lines should be treated alike. Surely this land was worth money; undoubtedly it was. I will agree at once that until the construction of the Canadian Pacific railway its value was very doubtful, but on the construction of that railway it became worth a very considerable amount of money. When we come to compare the capital debt structures of the two lines of railway, however, it appears very much as though the national system was carrying a very much larger capital debt than that of the privately owned system, and whether we like it or not people will always make comparisons between the two systems. For these reasons I desire once more not to plead the case of the Canadian National Railways but to put it in such a light that it can be judged on its merits in regard both to construction costs and the cost of operation. Personally I do not think there was very much difference between the construction costs of the two lines. Despite all that has been said about the cost of constructing the Canadian National and all the railways that have been taken over by it, I never could believe that the cost was very much more than that of the Canadian Pacific railway, but that is being constantly held up as an argument against public ownership. That was why I wished to make these few remarks.

Mr. CANTLEY: Mr. Chairman, I should like to refer to the remark of my genial friend the hon. member for West Edmonton with regard to the upkeep of the road, and his suggestion that a large expenditure would have to be made in the near future. In that connection I would remind the hon. gentleman of the fact that conditions have changed. Twenty years ago we had fifty-six pound rails. Then they were sixty pound rails, then sixty-seven, then eighty, then ninety pounds and up to one hundred and one hundred and ten pounds. That one factor plays a great part in the question of repairs and renewals. In addition, in recent years we have been using a hardened steel rail which has given three times the service that was given by the rails rolled twenty years ago. Instead of ordinary ties of cedar, hemlock or pine, according to the part of the country through which the road passes, in the main we are now using creosoted ties, which have a life of twenty years or more; just how long they last and can be used has not been determined as yet. These ties are now protected by tie plates, which we did not have in any quantity twenty years ago, which is another important factor. To-day we also have rock and slag ballast, which tends to cut down the cost of maintenance.

These are the main factors to which I should like to refer. The railway picture is bad enough without adding to it the suggestion of my hon. friend that the railway is going behind enormously because of neglected repairs. In my view that is not a fact. So far as rolling stock is concerned, that is quite a different matter. To-day the railway has probably fifteen or sixteen thousand derelict cars on sidings all the way from Sydney to Vancouver. Those will have to be replaced and additional modern motive power provided just as soon as we can find the money with which to do it, but as regards the roadbed I submit we need have no great concern for some little time.

Mr. HANBURY: To-day in Canada we have a nationally owned and a privately owned railway. We have no basis of comparison in regard to the various services they perform, because the Canadian National and the Canadian Pacific have not the same system of accounting. I think it would be very much in the interests of the Canadian people and of the railway companies themselves if they were on a comparable basis, and I suggest that the minister give some consideration to the question of bringing a bill before this house placing the responsibility on the railway commission, probably, to see that a uniform system of accounting is adopted by the two railways so that the Canadian people may have some basis for comparing the results that are being

obtained by the privately owned company on the one hand and by the publicly owned company on the other.

Section agreed to.

Preamble agreed to.

Bill reported.

CANADIAN NATIONAL RAILWAYS

REFUNDING OF MATURING AND CALLABLE FINANCIAL OBLIGATIONS

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 19, respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. MacDonald (Cape Breton) in the chair.

Sections 1 and 2 agreed to.

On section 3—Issue of substituted securities.

Mr. EULER: I am not sure whether it is in order on this section, but I should like to bring to the attention of the minister a question I asked him the other day, namely as to whether or not these bonds would be issued direct by the government or issued by the railway company and guaranteed by the government. I note that one of the clauses of the bill provides for an issue by the railway and a guarantee to be given by the government. Would the minister state the reason why that is being done? It was understood by the railway committee that we could finance more cheaply by having a direct government issue rather than an issue by the railways guaranteed by the government.

Mr. RHODES: This bill contemplates the refunding of guaranteed securities.

Mr. CASGRAIN: By whom?

Mr. RHODES: Hon. gentlemen will note that section 8 of the bill authorizes loans to the Canadian National out of the consolidated revenue fund, which would constitute a direct obligation. The question as to the extent to which it would be advisable to substitute direct obligations for guaranteed securities is a large question of major policy.

Mr. EULER: I should like to be clear on the point. Does the bill give the government authority to change the proposed action? That is, they could take either course?

Mr. RHODES: Yes.

Mr. EULER: Would the minister state the present intention?—because I suppose action will be taken immediately.

Mr. RHODES: It will depend entirely upon the circumstances.

Mr. EULER: There is no decision yet as to which the government will adopt?

Mr. RHODES: No, nor could there very well be. The decision will depend entirely on market conditions, and the type of bond.

Mr. EULER: There is no decision now?

Mr. RHODES: As I said the other day the difference between the guaranteed security and the direct obligation of the dominion is, in our own market, very slight.

Mr. EULER: Is the minister making them callable?

Mr. RHODES: Yes, every one of them.

Sir EUGENE FISET: I was under the impression when two or three years ago the policy was inaugurated whereby we introduced the estimates of the Canadian National railways by resolution rather than by items in the estimates, part II of the bill provided that any loans of the Canadian National Railways should in the future be floated directly by the government. In the same year we had a discussion in the railway committee and ascertained from the auditors and also from the officials of the Canadian National Railways that either in the floating or in the refunding of a loan the government by direct issue could save at least one-third of one per cent. That is why we are anxious to ascertain the policy the government intends to follow.

Mr. RHODES: The matter to which the hon. member for Rimouski refers had no reference to refunding. This bill has to do entirely with the refunding of existing issues.

Mr. EULER: What difference is there? Is there any difference in the principle?

Sir EUGENE FISET: I think the minister is making a mistake. I do not think it provided only for refunding for the same year in which the discussion took place. I believe however that the matter of refunding at least one loan was mentioned in the bill.

Mr. RHODES: I must agree to disagree with the hon. member because I am advised that there never has been any commitment of that kind, either by the committee or by the house.

Sir EUGENE FISET: In committee, I discussed the matter of refunding and the floating of new loans. I took the trouble to ascertain from officials of the Canadian National Railways and also from the auditors

what the saving would have been if the funding had been done differently, and we were given a figure of one-third of one per cent. That is why I say the matter was discussed in committee.

Mr. RHODES: It should be understood that that statement referred to new capital; it did not deal with the refunding of existing obligations. The amount involved would run into many hundreds of millions of dollars.

Sir EUGENE FISET: I understand that.

Mr. RHODES: From the national point of view the credit position of the country might be far better if we did not attempt to take over the whole load at once.

Sir EUGENE FISET: I am simply calling the attention of the minister to the fact that this matter was discussed in committee, that we had the advice of the auditors, and that we were given a positive statement, both on refunding and on the floating of new loans, that one-third of one per cent might be saved if they were floated directly by the government instead of by the railway.

Mr. RHODES: As a matter of fact the auditor may make any recommendation he wishes. The question of a major national policy or a decision as to what is in the best interests of the country is quite another matter. It is a very large question. May I point out to the hon. member that there is no question of a difference of one-third; the difference in Canada to-day is somewhere about one-tenth of one per cent.

Mr. HANBURY: That was two or three years ago.

Sir EUGENE FISET: Yes, that is what I said.

Mr. HANSON (Skeena): Does this bill provide for payment in Canadian currency?

Mr. RHODES: That would depend entirely upon the condition of the market, and, to use a homely phrase, the man who pays the piper calls the tune. We have to deal with existing maturities and they have to be paid in the terms of the obligation. But so far as possible all issues will be made in Canadian funds. The hon. member will recall that some of these maturities fall due in England and some in the United States.

Mr. HANSON (Skeena): I realize that, but I thought they were made payable in Canadian currency no matter where they fell due.

Mr. RHODES: Of course if a bond falls due payable in pounds sterling we cannot pay it in Canadian currency unless the person who owns the bond is prepared to accept Canadian currency. So far as possible we will make them payable in Canadian currency.

Mr. HANBURY: The minister has said that if it falls due in United States funds or pounds sterling he cannot refund it in Canadian funds?

Mr. RHODES: Not unless the holder of the bond agrees.

Mr. HANBURY: Perhaps the minister would let me place my interpretation upon it. He may not be able to replace it on the same basis, but it is just a question of the price he will put on his issue, and what he will pay for it.

Mr. RHODES: The hon. member might add to that that if you are refunding—and that is what we are dealing with—

Mr. HANBURY: Yes.

Mr. RHODES: If the bondholder insists upon having either his cash or a substituted bond payable in pounds sterling, then we have no option.

Mr. HANBURY: I still submit that the minister could probably induce some of the old country and United States investors to take bonds payable in Canada, if it were necessary to give them a slight premium over what they would otherwise receive.

Mr. RHODES: We will do that, wherever possible.

Section agreed to.

Sections 4 to 7 inclusive agreed to.

On section 8—Loans authorized to National Company not exceeding aggregate amount of $200,000,000.

Mr. EULER: Perhaps the minister is not in a position or would not care to say what the rate and terms of the bonds will be.

Mr. RHODES: Of the securities to be refunded?

Mr. EULER: Yes.

Mr. RHODES: If my hon. friend will look at Hansard of February 14, page 808, he will find a detailed list of all the maturing securities.

Mr. EULER: I meant the rate at which the new bonds are going to be issued.

Mr. RHODES: Oh, that will depend entirely on the market. The last one was at three per cent.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house in committee of supply, Mr. Morand in the chair.

Care of patients and medical examination respecting pensions; hospital allowances (compensation), $3,200,000.

Mr. MACKENZIE (Vancouver): There is no difference at all in the amount of the vote this year?

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): No, it is the same as last year.

Item agreed to.

Salaries—
Departmental staff, $2,375,000.

Mr. MACKENZIE (Vancouver): Does this include the departmental salaries at the various institutions throughout Canada?

Mr. SUTHERLAND: Yes, it includes all the administrative salaries, but not the doctors on schedule of fees.

Item agreed to.

Unemployment relief, $2,100,000.

Mr. MACKENZIE (Vancouver): Is the scale of unemployment relief uniform in all the provinces?

Mr. SUTHERLAND: No. The general plan that is adopted is to bring the amount up to the scale of relief in the municipality for the smaller pensioners who are eligible under this vote.

Mr. MACKENZIE (Vancouver): So that because of the lack of uniformity in the scale of relief in the different municipalities there is a lack of uniformity in the relief granted to pensioners under this vote?

Mr. SUTHERLAND: That is it.

Mr. SPENCER: Are the unemployed ex-soldiers always treated separately from the general unemployed?

Mr. SUTHERLAND: The pensioners are.

Mr. COOTE: Would the minister give us some idea of the variations which exist in the amount of unemployment relief paid to ex-soldiers in various cities or in different parts of Canada? This is a subject on which there is a great deal of complaint, and I think a statement from the minister would be useful.

Mr. SUTHERLAND: It depends upon the scale the municipality is paying. If, for instance, a married pensioner is drawing a pension of $15 and the municipal scale of relief for a married man who is not a pensioner is $25, his relief would be brought up to $25. Another pensioner in another city might be drawing a pension of $22 and the city scale of relief be $27. Here again the pension would be brought up to the amount the city was paying.

Mr. MACKENZIE (Vancouver): What are the qualifications for entitlement to relief under this vote?

Mr. SUTHERLAND: A man has to be a pensioner or else have received a final payment as distinct from a gratuity, instead of one of the smaller pensions.

Mr. HANSON (Skeena): Is there any difference as regards municipalities within the province in the scale of relief?

Mr. SUTHERLAND: There are variations. There might be a different scale of relief in Prince Rupert, for instance, from the scale in Victoria or Vancouver.

Mr. MACKENZIE (Vancouver): Is it necessary to have any specific percentage of pension to qualify under this vote?

Mr. SUTHERLAND: No.

Mr. MACKENZIE (Vancouver): It is regardless of any specific percentage?

Mr. SUTHERLAND: Yes.

Mr. POWER: Did the vote of $2,100,000 last year cover all expenditures?

Mr. SUTHERLAND: Yes, it is estimated that it will cover the expenditures for the remainder of the year.

Mr. POWER: Is medical treatment given to pensioners under this vote?

Mr. SUTHERLAND: Yes, treatment is given to the pensioner, but not to his family.

Mr. POWER: No medical treatment for his family?

Mr. SUTHERLAND: That is the general rule, but if there is an emergency case that our men see, of course it would be handled.

Mr. POWER: Is clothing given to members of the pensioner's family?

Mr. SUTHERLAND: Clothing is given in some cases where there is a very urgent need.

Mr. POWER: And fuel?

Mr. SUTHERLAND: Fuel is always given.

Mr. POWER: Is not one of the causes of complaint that all the municipalities make arrangements for the medical care of ordinary civilians who are on relief but that the same arrangements are not made for the families of pensioners on relief? Is not that one of the causes of complaint?

Mr. SUTHERLAND: Undoubtedly there have been representations made.

Mr. POWER: And what is the reply of the department to that complaint?

Mr. SUTHERLAND: The reply has always been that in no case has the dominion accepted responsibility for medical care for anyone who was not a pensioner. In the arrangements made by the Department of Labour with the various provinces medical care has never been recognized as a dominion responsibility, and so far as the families of the pensioners are concerned it has been felt that they have not lost the right to be considered eligible for receiving medical care from the municipalities in which they reside.

Mr. POWER: The same argument applies to clothing, I have no doubt?

Mr. SUTHERLAND: Yes, but we have given clothing.

Mr. POWER: You have given clothing, but as a matter of compassion rather than as a matter of right.

Mr. SUTHERLAND: That is right.

Mr. POWER: The complaint is this. Ex-soldiers are constantly writing in—I get many letters from them—to the effect that they are discriminated against, and it would appear from what the minister says that there is some foundation in fact for these complaints, though I am not blaming the department for that. But the fact would appear to be that in a great many municipalities, in almost all the municipalities, some degree of medical care is given unemployed persons on relief and their families, and to some extent also they receive a clothing allowance or clothing, whereas the families of returned soldiers do not receive this medical care nor do they receive clothing from anybody. The municipalities take this ground: You are an ex-soldier and consequently a responsibility of the federal government; therefore we will not have anything to do with you. If you want anything, go to the federal government, to the Department of Pensions and National Health, and they will look after you. That appears to be the great difficulty; it is the great cause of complaint. I am not suggesting that there is any negligence on the part of the government or of the department, but the facts are there. Throughout the country returned soldiers are complaining very bitterly that they are being discriminated against. Whether the department should contribute clothing and medical attention to the families of returned soldiers on relief is a matter of policy regarding which it is not for me to make suggestions; but I think that after four years of this kind of thing with these complaints being made the department should at least have come to some conclusion as to what the future policy will be. I think the minister ought to give an explanation.

Mr. SUTHERLAND: There have been complaints from some municipalities but really, considered as a whole, from very few, because in the vast majority of instances the municipalities have realized their responsibility for medical care. With the exception of a few municipalities, though a good deal has been said about the question, the situation has not become an acute one.

Mr. POWER: The moment a man is known to be a returned soldier you will find in most municipalities that he is told to go to the federal government. Hon. members generally, I believe, have had the same experience. We have all had letters from returned soldiers all over Canada complaining that the municipality absolutely washes its hands of them if they are in the category of a pensioner, high or low, or of one who is entitled to relief. In some instances they go a step further. If a man is a returned soldier, even if he is not entitled to relief from the department, a great many municipalities say, "Go to the returned soldiers' organization or to the department." Unfortunately, or fortunately, perhaps, some returned soldiers' organizations have in the past had certain sums of money which they could dispose of to look after their own people. The army and navy veterans in Quebec expended large amounts derived, as we are told, from the illegal and immoral practice of running lotteries, but those amounts were expended to very good purpose in looking after the returned soldiers and their dependents not only in Quebec but throughout the country. But as a result of the activities of the soldiers themselves and of the department, a great many municipalities would not look after the soldiers any longer, whether they were entitled to relief under the

department or not. I do believe it is a matter that should be looked into and handled perhaps more efficiently by the department than it is at the present time.

Mr. MACKENZIE (Vancouver): What amounts have been expended in the various provinces under the vote?

Mr. SUTHERLAND: In the Quebec district, $212,149; that takes in the province of Quebec; in Nova Scotia and Prince Edward Island, $43,344; in eastern Ontario, taking in Kingston and Ottawa districts, $135,054; in central Ontario, taking in Toronto and Hamilton, $638,241; in western Ontario, $157,487; in Manitoba, $278,183; in Saskatchewan, $64,178; in Alberta, $118,133; in British Columbia, $247,524; in New Brunswick, $18,272.

Mr. GEARY: Take, in the working out of this plan, an instance such as the minister gives where the municipality pays $25 a month and the soldier gets $15. The department makes that up to $25 and in that case the municipality is relieved entirely of what otherwise would be a charge upon it of $25 for the man. Under these circumstances I think the municipality should see that any incidental relief, like clothing, fuel and medical attention, should be given that person without any difficulty. But has the minister realized that in some municipalities the total allowance for an unemployed single man is $15? The soldier is drawing $15 and he is then in exactly the same position as the unemployed single man, but he is in this difficult position, that the very fact of his being a pensioner indicates that he is not as well able to take on casual jobs as the ordinary unemployed single man. The pension of $15 may cover some difficulty of a leg or an arm; I know of one man who is practically stone deaf and cannot get casual labour. It occurs to me that perhaps the minister might consider whether that factor should not enter into the calculation to some extent. In the city of Toronto a $15 pensioner is really at a disadvantage with the single unemployed man who draws $15 from the municipality.

Mr. POWER: What is the total amount of pension the unmarried pensioner can draw?

Mr. SUTHERLAND: Fifteen dollars.

Mr. POWER: Is that the total all over Canada?

Mr. SUTHERLAND: The basic scale of the department for a single pensioner $15; for the married pensioner without children $25; for the pensioner with a wife and one child $30, with $2.50 for each additional child. The municipality has a figure corresponding to each of these amounts.

Mr. POWER: What is the highest for a single man?

Mr. SUTHERLAND: The maximum with rates previously in effect was for the single man $30; man and wife, $45; man and wife and one child, $57, and for the man with two or more children, $67.

Mr. POWER: Sixty-seven dollars is the maximum paid anywhere in Canada. What about the man with a wife and five children? While the minister's officials are looking up the matter, will he explain how this thing works? As I understand it, from the total of $67 there is deducted first the amount of pension which the man receives.

Mr. SUTHERLAND: Yes.

Mr. POWER: Suppose he is getting a $10 pension; that is deducted from the $67. Is there any deduction for any gainful employment which he may have?

Mr. SUTHERLAND: He would be allowed $10 a month for casual employment.

Mr. POWER: Without deduction?

Mr. SUTHERLAND: Yes.

Mr. POWER: Suppose he earns $20, is there any deduction of any kind or is he taken off relief altogether?

Mr. SUTHERLAND: There would be a deduction of the second $10 off the increased amount.

Mr. POWER: What is the total amount he must earn so that he will not get any relief at all?

Mr. SUTHERLAND: If the total amount was $67 and he was working and earned the difference between the pension and that, he would automatically go off relief.

Mr. POWER: There are two sides to this story. Is there any incentive for that man to work? In other words, would it pay a pensioner of the category mentioned by the minister simply to stay on relief or would it be better for him to get a job and do something?

Mr. SUTHERLAND: Unfortunately on the part not only of returned soldiers but of others, there is an inclination rather to stay on relief. That is human nature, and returned soldiers are no different from other people. Some of course would rather get out and fight against this inclination, but undoubtedly if a man saw a job drawing $15 a

month, he would figure he would get about as much by sitting still with the pension coming in, and there might be a tendency to sit back; I cannot deny that.

Mr. MACKENZIE (Vancouver): Are the costs the same in the winter as in the summer?

Mr. SUTHERLAND: They are a little more in the winter on account of the fuel. According to the weather, when the necessity comes on for fuel, the costs would be more.

Mr. POWER: Is the change made on April 1?

Mr. SUTHERLAND: No, depending altogether on the weather.

Mr. POWER: When was the change made last year?

Mr. SUTHERLAND: It would vary according to the climate. In Victoria they would not require fuel as soon as in Quebec, or in Ottawa.

Mr. SANDERSON: What is the difference between summer and winter costs?

Mr. SUTHERLAND: Principally the cost of the fuel.

Mr. SANDERSON: I know that, but in dollars and cents?

Mr. SUTHERLAND: In the year 1933-34 it was as follows:

Month—	Amount
April	$106,518
May	177,550
June	148,528
July	135,216
August	126,954
September	124,144
October	134,451
November	156,187
December	180,316
January	200,522

This shows that the cost increases in the cold months.

Mr. SANDERSON: I would like to get the figures for the individual. If a returned man was getting $15 a month in the summer, what would he get in the winter?

Mr. SUTHERLAND: There would be the difference of the price of the fuel, probably $6 to $8 a month in the case of married men.

Mr. SANDERSON: That would be $15 in the summer and $21 or $23 in the winter?

Mr. SUTHERLAND: In some instances that would be the case; that is the main item.

Sir EUGENE FISET: The minister said that these amounts are paid not only to pensioners but to all returned soldiers who make application for them.

Mr. SUTHERLAND: No, the hon. gentleman misunderstood me. It is only to pensioners.

Sir EUGENE FISET: It is all very fine and easy for those gentlemen who are living in big cities where relief of some form is obtainable, but in the small centres, the rural districts in the constituency that I have the honour to represent, there is no such thing as state aid or municipal contributions toward unemployment relief. I would like to ascertain from the minister the mode of procedure to enable any of our pensioners to obtain relief. Have they to apply directly to the department at Ottawa? To whom should they make application and what are the means to be taken in order to secure some part of that relief?

Mr. SUTHERLAND: If someone with a small pension living in the constituency of the hon. member were in difficulties, he might write to Ottawa or to the hon. member himself, but his proper procedure would be to get in touch with our relief official in Quebec city, who would look into the matter possibly by communication with the reeve or mayor of the municipality and find out the man's condition. Such a pensioner would not get as much as one would in a city, because undoubtedly in the smaller places living would be cheaper, but he would be looked after and given every assistance that could properly be given to him.

Sir EUGENE FISET: May I bring to the minister's attention a concrete case that will perhaps illustrate the point. This was a pensioner receiving prior to last year a pension of $100. By decision of the department this was reduced to $20 a month. This man has a wife and family and he is a cripple and in bed. He has tried and I have tried myself for the last six months to induce the department to review the case. He has made four different applications to the official in charge in Quebec so far as the department is concerned without receiving any answer. This year I wrote to the department, placing the facts before them, and I got an answer from Doctor Henderson stating that if this man would make direct application to Ottawa he might have a chance to get his case reviewed by a quorum of the new commission that has been created. I was always under the impression that in

accordance with the decision given by the Prime Minister last year or two years ago this man would be entitled to draw the full amount of his pension, $100 a month, until his case would have been reviewed, but the decision of the department has been absolutely to the contrary. The only recourse he has now is to have his case reviewed by a quorum of the new commission that has been created. I want to ascertain from the minister whether, if this man makes application directly to the department at Ottawa, supporting his application first of all by medical evidence, second by a certificate of the mayor of the municipality in which he lives, and third, by letter from the parish priest, he will have a chance to come under the provisions of this appropriation?

Mr. SUTHERLAND: What the hon. gentleman is speaking of is a reconsideration of the man's pension; there are so many cases that are individual and the hon. gentleman knows I have no control whatever over the pension commission or the pension appeal court.

Sir EUGENE FISET: I am talking about relief.

Mr. SUTHERLAND: Yes, certainly.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

PROPOSAL TO BRING COASTAL SHIPPING UNDER JURISDICTION OF RAILWAY COMMISSION

On the order being called:

Resuming debate on the motion of Mr. Neill for the second reading of Bill No. 12, an act to amend the Railway Act (traffic by water).

Mr. NEILL: Stand.

Mr. MANION: No, Mr. Speaker; I regret I cannot agree to the hon. gentleman's request to have the bill stand. I had the floor the other evening, and on the matter being called I have either to take the floor or to pass up the bill.

The house resumed from Tuesday, February 12, consideration of the motion of Mr. Neill for the second reading of Bill No. 12, to amend the Railway Act (traffic by water).

Hon. R. J. MANION (Minister of Railways and Canals): I do not intend to take up much of the time of the house, but I may say at once that after consideration the government feels it cannot agree to the second reading of the bill. I shall take a few minutes to give the reasons.

I well remember when I first came into the house some eighteen years ago listening to the late Mr. Joseph Armstrong who for some years put on the order paper each session a bill dealing with inland water shipping. His suggestion was that inland water shipping should be put under the board of railway commissioners in the same way as the hon. member for Comox-Alberni (Mr. Neill) to-day suggests that coastal shipping should be put under that board. It is true there is a difference, but frankly I cannot see how one could be handled any more easily than the other. I well remember when Mr. Armstrong again and again brought up the bill the government of the day and succeeding governments refused to permit it to go through. In the same way this bill strikes me as not feasible. For example, according to this bill a coastal vessel starting at Vancouver would be under the jurisdiction of the board of railway commissioners as far as Montreal, should it go that far, but if it went west of Montreal, for that part of the voyage it would not be under the board. There are other anomalies of the same type in the bill which to my mind would make it not easily workable.

The section of the Railway Act which it is proposed to amend is section 358. I will read it:

> The provisions of this act shall, in respect of tolls, tariffs and joint tariffs, so far as deemed applicable by the board, extend and apply to the traffic carried by any railway company by sea or by inland water, between any ports or places in Canada, if the company owns, charters, uses, maintains or works, or is a party to any arrangement for using, maintaining or working vessels for carrying traffic by sea or by inland water between any such ports or places.

That was in the original bill as enacted in 1906. The board of railway commissioners, on February 15, 1911, endeavoured to put that into effect, but six weeks later, on March 28, 1911, having given it further consideration, they sent out a circular containing the following words:

> And it has decided, in view of the difficulties that will be placed in the way of companies operating ships engaged in port to port traffic in competition with local boats free from the provisions of the act, that the board is of the opinion that the present necessities of the case do not require enforcement of section 7 of the Railway Act.

That was their attitude. Those branches of shipping are as exempt to-day as they were made in 1911; they have remained exempt ever since.

Mr. NEILL: Do I understand the minister to say that the board of railway commissioners passed an order that the act was not to be enforced?

Mr. MANION: First, on February 15, 1911, they passed an order that it was to be put into effect, but six weeks later, on March 28, 1911, they said they had reconsidered the matter and put out a circular with the words I have just read, exempting the port to port shipping of the railway companies.

Mr. NEILL: Can the board of railway commissioners by issuing a circular do away with the law of the land?

Mr. MANION: I do not know; I cannot go into the details of that. I assume—I am only guessing now—that this act was to be put into effect by the board of railway commissioners, and they attempted to do it and found it was not feasible. I am giving the facts as given to me by my officers as part of the history of the attempt to put under the board of railway commissioners the port to port shipping of the railways. I do not believe that it is any more feasible to-day than it was at that time.

But in addition there is this to remember —at least this is how I understand it: that if this bill should become law Canadian shipping would be under the control of the board of railway commissioners, but tramps and foreign ships, would not, or at least they could so arrange shipping and rates that they might not be, so that it would result in unfair competition to our Canadian shipping.

Then another point is that the Department of Trade and Commerce handles the subsidies paid ships for carrying mails, for example, or passengers over certain routes. Shipping to which the Department of Trade and Commerce pays these subsidies is to-day under the control of that department in regard to rates and tolls just as it is proposed by this bill to give control to the board of railway commissioners. The subsidized steamships are to-day controlled by the Department of Trade and Commerce in that respect.

I am merely mentioning these things briefly; I am not attempting any elaborate discussion of the matter, but I have looked into it sufficiently to become convinced that it is not feasible. While far from questioning the hon. member's good faith—I concede that at once—at the same time I think the matter requires further consideration by the hon. gentleman himself and certainly by the government, before we could consent to have this bill put upon the statute book. There has been no public demand for it that I know of. The hon. gentleman has made his own case, but I have heard of no others who have asked to have this bill enacted. On the contrary, since the hon. gentleman introduced his bill three or four weeks ago I have received very many protests, and I am sure other members of the house have received them also. The hon. member for Vancouver-Burrard (Mr. Hanbury) nods his head; he has received protests. My hon. friend the Minister of National Defence (Mr. Stirling), the British Columbia minister, has received many protests as well. For example, I have received protests from the Vancouver Merchants' Exchange, the Vancouver board of trade, the Halifax board of trade, the Canadian Pacific and Canadian National steamships and from a number of private companies as well, of which I will name four. They include the Anglo-British Columbia Packing Company, Associated Timber Exporters, British Columbia Packers Limited and the Canadian Fishing Company Limited. Those are some I have under my hand.

In view of all these protests, therefore, with all due deference I suggest to my hon. friend that he might well withdraw this bill at this time, and if he and we come back here next year, after having given it further consideration he may desire to introduce it again then. It may be, though it takes a rather long stretch of the imagination, that he will be on the government side of the house at that time; one never can tell what may happen after an election, but I do suggest in all sincerity that the hon. gentleman might withdraw the bill now. I think that would be better than to have us vote it down. I do not think there is any need for that, but if he will not withdraw the bill the government will have to take the position of opposing it.

Mr. D. B. PLUNKETT (Victoria, B.C.): Mr. Speaker, representing as I do a section of the country where there is a large coastal trade this matter has been brought to my attention very forcibly by the business men of that district. I cannot see any advantage to be gained by putting the shipping business under the control of the board of railway commissioners. Are we to educate those commissioners so that they will understand

shipping? We would have to do that if we wanted to be fair to the shipping interests, because it could be hardly expected that a mind trained in railroad matters would be equally trained in shipping matters.

The protests I have received come from various large commercial and industrial houses of the west. One is from the British Columbia Cement Company. I do not propose to read the telegrams; they are too numerous for that, so I will just name the companies concerned. I have a telegram from the Moore Whittington Lumber Company; another from the Cameron Lumber Company; another from J. H. Todd and Sons Limited, and one from one of the very largest wholesale hardware houses in the west, Messrs. McLennan, McFeely and Prior. In addition I also received a protest from the Vancouver Merchants Exchange, which the minister mentioned.

In these times of business depression, when business men are straining to the utmost to carry on their activities, will it be of any value to us as a nation to bring in legislation which may make it even more difficult for them to carry on? Take the case of a hardware firm, such as the company that sent me a telegram. They receive large consignments from the east. Should they be put at the mercy of the railways if they can bring in larger and more varied supplies by sea? Would it be fair to them to take away the competition of water traffic? When I mention competition I must say that there would be the danger of the railway commissioners being influenced to a certain extent by their association with the railways. Both the railway companies have shipping interests as well, and they might so arrange matters as to have vessels at the ports just at the right time to take the freight, and the independent shippers would be placed in a precarious position if they were unable to compete for freight being handled by the railway companies. We had a merchant marine service owned and controlled by the government, and surely those ships were in a position to give good service at as reasonable a rate as possible, but what happened? The government had to dispose of many of those vessels because they could not be made to pay. Even the United States have found it difficult to build up a paying merchant marine, and many of their ocean liners are subsidized to a certain extent. So I say, Mr. Speaker, that the day we try to have this business handled from the railway commission point of view will be disastrous to us. It will mean more regulations, more examinations and more supervision; it will mean another commission set up, because surely both railways and shipping could not be put under one commission. With the trade of the country just beginning to pick up I think it would be unwise to make this change, particularly when we have substantial proof of the disapproval of the business men who use this service. I cannot see any reason why we should support this measure, and I intend to oppose it.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, generally I like to agree with the hon. member for Comox-Alberni (Mr. Neill), who at various times has made useful and practical suggestions to this house, but so far as this bill is concerned I feel constrained to oppose it. If this measure passes and becomes law there will be a conflict of authority between the railway commission and the government of the province of New Brunswick. In that province we have what is known as a ferry service, with boats carrying both passengers and freight from the islands to the mainland. This service serves three islands in the bay of Fundy and two or three islands in the bay of Chaleur. In the county I have the honour to represent there are two islands served by this ferry service. In the past the federal government granted a subsidy to the ferry system of Gloucester county. For the last year or two that subsidy has been withdrawn, but the provincial government has continued to subsidize the ferry system of the province, and under that arrangement it has authority to fix passenger and freight rates. If this bill goes through that authority will be taken from the provincial government and vested in the railway commission. I claim that unless it goes to a very great deal of trouble the railway commission will not be in a position to regulate freight and passenger rates in connection with our ferry system as efficiently as the government of that province can at the present time, and for that reason I regret that I must oppose the passage of this measure.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I was more than astonished when, about a minute and a half before the notice was called, I was informed that it was the intention of the Minister of Railways (Mr. Manion) to go on with this bill to-night. I had allowed the bill to stand previously at his request, and I thought perhaps there might be such a thing as reciprocity in these matters. With regard to the criticism that has been advanced by the hon. member for Gloucester (Mr. Veniot), that is entirely a local matter which could have been adjusted in the railway commission if the bill had been allowed to go

there. With regard to the remarks of the hon. member for Victoria (Mr. Plunkett), I will not waste the time of the house in replying to them because his ignorance of this subject is too profound. He should have consulted his predecessor, Doctor Tolmie, on the subject before discussing it here.

With regard to the Minister of Railways, he goes back to the introduction of what he says was a similar bill by a gentleman named Armstrong, the then member for Lambton. The minister says this gentleman brought up this matter year after year. So far as the records show he brought it up twice, and he received a much more favourable reception from the Minister of Railways of that day than I have received.

Mr. MANION: It was brought up four times.

Mr. NEILL: So far as I can see it was discussed only twice. The first year it was introduced late in the session and died on the order paper; in the second year, through the courtesy of the Minister of Railways, it went to the railway committee. It was discussed in that committee at considerable length, but they did not report favourably upon it. As a precedent for rejecting the bill the minister draws a parallel between it and the one introduced by Mr. Armstrong. Surely the minister knows that the two bills are totally different; Mr. Armstrong's bill had nothing to do with the matters now under discussion. His bill dealt entirely with the great lakes.

Mr. MANION: I said that.

Mr. NEILL: Where is the resemblance?

Mr. MANION: Simply because it was shipping, that is all. It was lake shipping, instead of coastal shipping.

Mr. NEILL: One dealt with shipping on the great lakes and the other with shipping on the coast; there was no parallel between the two. The minister has said that the bill standing in my name is not feasible. His only reason for making the statement seemed to be that he had certain telegrams. I believe if he would study them he would find that with one possible exception they objected to the measure being made to apply to traffic passing from the Atlantic to the Pacific and vice versa. Again, that is a matter which could easily have been adjusted in committee. As a matter of fact I had drawn an amendment to omit the objectionable part, as the minister might have seen in the press. Such an amendment would have avoided ninety per cent of the objections in the telegrams to which he referred.

The extraordinary part of the minister's presentation was his admission that the section he read—I have not the act before me because I have been taken unawares—which states clearly and distinctly that the control by the board of railway commissioners extending to all vessels owned, operated, chartered or controlled by the railway companies has been cancelled by a circular. That has been the law for twenty-nine years, but the minister waves his hand and states that the provision was done away with, and that therefore it has no force or effect. How was it done away with? Why, they issued a circular! I never heard of a circular before.

Mr. MANION: That does not prove it is not true,—simply because the hon. member did not hear of it. There are many things of which he did not hear.

Mr. NEILL: Any person could give such a smart-aleck retort. The point is, why did I not hear about it? Because it is in the form of a circular. Was the circular issued to him, or made public? We do not know. One of the leading men in the service of the Canadian Pacific Railway had no knowledge of it. That section, as I read it and as the minister read it, is in force. It certainly is in force.

Mr. MANION: My information is that it is not in force.

Mr. NEILL: The minister states it is not in force by virtue of the grace of God and a circular.

Mr. MANION: I did not mention God.

Mr. NEILL: The grace of God should be left out; the minister is right there. I should have said it is not in force by the grace of the railway board and a circular! I am sorry that a person occupying the proud position of minister of railways should have to shelter himself behind a circular which has put out of existence a statute which has been in force for twenty-nine years. He said the provision has been done away with by a circular which was issued by the board of railway commissioners in 1911. That is an extraordinary situation. Are we to pass laws in this parliament and then twenty or twenty-five years later find that they have become ineffective because of a circular—not even an order in council?

Mr. MANION: As a matter of fact I stated that the law was never put into effect. I stated the order had gone out by circular that the law should go into effect on February 15, and that on March 28 by another

circular the railways were instructed not to bother filing their records. It was never put into effect.

Mr. NEILL: The act was revised in 1919; was there any circular after that year?

Mr. MANION: It was never in effect since 1911.

Mr. NEILL: This is the position. We pass an act in 1904—

Mr. MANION: 1906.

Mr. NEILL: 1906—and the minister states it did not come into effect until a circular was issued. But no such condition is mentioned in the act. We know what the routine must be. On certain occasions we say that a measure shall come into effect, or that certain sections shall become effective—as in the shipping bill—after proclamation by order of the governor in council; but they do not come into effect because of a circular. However, we are told by the minister that the board of railway commissioners issued a circular, and that later on they got cold feet and issued another circular ending the matter. This feature seems to me preposterous. The circular of beloved memory was issued in March, 1911. The act was revised in 1918 or 1919—I shall not pledge myself as to the exact year, but I know it was about that time. Was the revised statute again killed by this dead and gone circular which had been issued seven years before? If so it would seem a most extraordinary position. I should think the matter ought to be referred to the railway committee so that that phase of the matter could be investigated. In fact, the appointment of a special committee would be justified to find out whether or not circulars are running this country. We have heard a great deal about government by order in council, but here is an act passed twenty-nine years ago and revised from time to time which is alleged to be non-operative because of a circular issued by the board of railway commissioners.

The minister makes the suggestion that shipping not owned by the railways might be brought under control. Certainly; that is the object of the bill. I do not believe my record will indicate that I have been an advocate of vested interests in railway companies, but if it is right and proper that a steamship owned by a railway company should be under the control of this act, is there any reason why a shipping company which does not happen to be owned by a railway company should not be governed by it? If it is right and proper that the ships owned by a railway company should have control exercised over their rates, their itinerary, and so on, is it unfair to think that the shipping owned by shipping companies which do not happen to be connected with railways should be subject to the same regulations?

The minister undermined his own argument, because after proving that it would be utterly impossible to enforce such a law in any way, shape or form he went on to say that a great deal of shipping on the Pacific coast is under such control now because any boat subsidized by the government in any way is subject to the rules and regulations of the Department of Trade and Commerce. Well, is it all right to have rates, itinerary, ports of call and so on under the supervision of the Department of Trade and Commerce and all wrong to be under the control exercised by the board of railway commissioners?

Mr. MANION: The Department of Trade and Commerce subsidized them and has some right to call the tune.

Mr. NEILL: Yes, and because they are subsidized I propose they should be placed under the same board which controls the boats owned by the railway companies, a board accustomed to doing that type of work. I would say the Department of Trade and Commerce could hardly be considered to be expert in the control of traffic. Most of the companies on the Pacific coast are subsidized by the government.

Mr. MANION: A great many of them are not.

Mr. NEILL: I differ from the minister on that point, so far as the Pacific coast is concerned. I do not know about the Atlantic coast. In a naive and almost pathetic manner he held out the hope that perhaps conditions would be more favourable next year for the passage of this bill.

Mr. MANION: No, for the consideration of it.

Mr. NEILL: I certainly hope they will be.

Motion (Mr. Neill) negatived on division.

DOMINION ELECTIONS ACT

ABSENTEE BALLOT FOR MEN IN UNEMPLOYMENT RELIEF CAMPS

The house resumed from Tuesday, February 19, consideration of the motion of Mr. MacInnis for the second reading of Bill No. 16, to amend the Dominion Elections Act, 1934.

Mr. MacINNIS: Mr. Speaker, there is not much more that I wish to say in connection with this bill. I would like to point out, however, that the Minister of Justice (Mr. Guthrie) was evidently under a misapprehension as to the purpose of the amendment when he spoke in the house on Tuesday evening. In refusing to accept this amendment he said, at page 982 of Hansard:

> I think it is going beyond the bounds of common sense. It is not a reasonable request that men from Nova Scotia or New Brunswick or the prairie provinces settling in Ontario, say, should be entitled to vote in a constituency in which their camp happens to be situated.

The amendment did not ask for any such thing. As a matter of fact, all that the amendment asks for is that the same provision shall apply to the men in the unemployment relief camps as now applies to other categories of electors who may vote by absentee ballot provided they are twenty-five miles or more distant from their electoral district or polling division on election day. First of all, the men in the camps must be registered in some constituency in the province in which they desire to vote. If they have not been long enough in the province to acquire domicile there, then of course they are not eligible for registration and are therefore not qualified to vote. In any case the reason for the amendment is that generally speaking these men are not allowed to vote in the constituency where the camp is situated. The Minister of Justice went on to say:

> There is nothing in the election act to prevent these men from voting in their own localities.

Then he gave the reason himself why they cannot vote in their own localities. He said:

> The question of transportation is a serious one, but I am not in favour of the proposal.

It is altogether a question of transportation, Mr. Speaker—question of the impossibility of these men going into the constituency where they are registered in order to vote on election day. The hon. member for Kingston City (Mr. Ross) was under the same misapprehension, and I understand that he was also opposed to the amendment because the vote could not be controlled. I am not interested in controlling the votes. All I am interested in is that these men should be given the opportunity to exercise their franchise as ordinary citizens do, and that they should not just because of their circumstances, over which they have no control, be prevented from exercising their franchise on election day.

Shortly before I came east along with other federal members from greater Vancouver I met some of these men, and I think the other Vancouver members who were with me will remember this circumstance. One of the men that we met was an upstanding young fellow who, asked if he had served overseas, said that he had served overseas for four years. He is a British subject and had lived in Canada some fifteen or sixteen years. When he was overseas he was entitled to vote during the elections of 1917, even in France, but now he is in an unemployment camp and just because he cannot afford the transportation from the camp to the constituency where he may be registered, that is if he is registered, he is prevented from voting. I would ask the members to take this into serious consideration before they refuse to accept the amendment. There is equity, there is justice in this proposal, and to accept it would be doing something for men who are unable under the circumstances to do anything very much for themselves. I would therefore ask the members of the house to support the amendment.

The house divided on the motion (Mr. MacInnis), which was negatived on the following division:

YEAS

Messrs:

Beaubien	Mackenzie (Vancouver Centre)
Carmichael	Macphail, Miss
Gardiner	Munn
Gershaw	Neill
Hanbury	Ralston
Heaps	Reid
Howden	Speakman
Ilsley	Spencer
Luchkovich	Woodsworth—19.
MacInnis	

NAYS

Messrs:

Arsenault	Peck
Arthurs	Perley (Qu'Appelle)
Baker	Plunkett
Baribeau	Price
Belec	Quinn
Bourgeois	Rhodes
Davies	Sauvé
Dickie	Shaver
Duff	Simpson (Simcoe North)
Dupré	Simpson (Algoma West)
Ernst	Smith (Cumberland)
Esling	Stanley
Fraser (Cariboo)	Stewart (Leeds)
Gobeil	Stewart (Lethbridge)
Hay	Stinson
Loucks	Stitt (Nelson)
McGillis	Sutherland—37.
McGregor	
McLure	
Manion	

Mr. IRVINE: I was paired with the hon. member for East Edmonton (Mr. Bury). Had I voted, I would have voted for the motion.

Sir EUGENE FISET: I was paired with the Minister of Labour (Mr. Gordon). Had I voted, I would have voted for the motion.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted for the motion.

Mr. MULOCK: I was paired with the hon. member for Toronto-High Park (Mr. Anderson). Had I voted, I would have voted for the motion.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the motion.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the motion.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted, I would have voted against the motion.

Mr. POWER: I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted, I would have voted for the motion.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted, I would have voted against the motion.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted, I would have voted against the motion.

Mr. SMOKE: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted, I would have voted against the motion.

Mr. GARLAND (Carleton): I was paired with the hon. member for Russell (Mr. Goulet). Had I voted, I would have voted against the motion.

Mr. HANSON (Skeena): I was paired with the Minister of National Defence (Mr. Stirling). Had I voted, I would have voted for the motion.

Mr. ROBERGE (Translation): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted, I would have voted against the second reading of this bill.

[Mr. Irvine.]

Mr. BRASSET (Translation): I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted for the second reading of this bill.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted, I would have voted against the motion.

Mr. FAFARD (Translation): I was paired with the hon. member for Levis (Mr. Fortin). Had I voted, I would have voted against the second reading of this bill.

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Unemployment relief, $2,100,000.

Mr. MACKENZIE (Vancouver): I understood the minister to say that any pensioner could qualify for this relief. Can pensioners of the higher scale qualify?

Mr. SUTHERLAND: Not if the pension is over the maximum.

Mr. FRASER (Cariboo): I took it from what the minister said that a pensioner with a small disability which had been cleared up by a lump sum payment would be eligible under this vote. Is that so?

Mr. SUTHERLAND: If he has commuted a pension, between five and twenty per cent, and taken a lump sum, then he is not out unless the disability on re-examination has been found to have disappeared or to be less than five per cent.

Mr. FRASER (Cariboo): If his pension was under five per cent and was paid to him in a lump sum without any option does he qualify?

Mr. SUTHERLAND: No.

Mr. POWER: Will the minister explain that again? I understood him to say that if a pensioner commuted his pension he was no longer eligible for relief. He knows that under the legislation of 1930 pensioners who commuted are allowed to go back on pension at the rate fixed by legislation.

Mr. SUTHERLAND: These are the ones that are eligible according to the statement I have before me: former members of the Canadian Expeditionary Force who are in receipt of pension payable by the pension commission; former members of the imperial forces or the forces of His Majesty's allies

who were resident in Canada on or before December 1, 1924, who are in receipt of pension payable by their respective governments, or who have received a final payment under the provisions of any act or regulation for permanent disability assessed between five and twenty per cent.

Mr. MACKENZIE (Vancouver): This afternoon the minister gave the amounts by provinces; can he give the numbers of those who are drawing this relief?

Mr. SUTHERLAND: The figures are as follows:

District—	Number
Quebec	989
Nova Scotia and Prince Edward Is.	363
Eastern Ontario	640
Central Ontario	3,026
Western Ontario	784
Manitoba	1,161
Saskatchewan	402
Alberta	452
British Columbia	1,487
New Brunswick	148

Mr. RALSTON: Are the numbers increasing?

Mr. SUTHERLAND: During December, counting pensioners, their wives and children, there were 31,454. On January 31 there were 33,464.

Mr. MACKENZIE (Vancouver): How do the numbers compare with a year ago? Are they increasing from year to year?

Mr. SUTHERLAND: For January, 1934, the number of pensioners was 9,728; for January of this year it was 9,410, or just a few less.

Mr. FRASER (Cariboo): The case I had in mind when I asked the question of the minister was of a veteran who had been pensioned and allowed three per cent disability. Of course he had no alternative but to take a lump sum for his pension in full settlement of his claim. He is now unable to work. Under the statement the minister has just made this man is excluded from relief. He made application for the war veteran's allowance and he was also denied the privilege of receiving that. The treatment of this case is rather hard and it should receive consideration from the government. He is excluded from all classes of pension and he gets no relief at all. If he is not eligible for the war veteran's allowance and if his pension is paid up and he is also excluded from other relief, why should he not come under departmental relief?

Mr. SUTHERLAND: I think in that case he should come under municipal relief.

Mr. MULOCK: Where municipalities are not paying relief, what can be done for men in a similar position with pensionable disability of the rate mentioned?

Mr. SUTHERLAND: In cases like that, if the municipalities were not issuing relief—and this would probably be in the smaller municipalities—the rate for a single pensioner is $15; for the married pensioner without children, $25; for the pensioner with a wife and one child, $30, with $2.50 for each additional child.

Mr. MULOCK: Where would the man apply? For instance, in North York constituency, would he apply to Christie Street hospital?

Mr. SUTHERLAND: Yes.

Mr. REID: Might I draw to the attention of the minister cases in muncipalities in Fraser Valley, and I think the cases I shall cite should prove to him that to bring the allowance up to what the municipalities are giving is not a fair method of dealing with the matter so far as the returned men are concerned. In the Fraser valley there are municipalities that are unable to pay even the government scale. The government have set a scale of relief so that if a transient comes in, he would be entitled as a single man to $12.50 or $15, or for a man, wife and child, to $30. But most of the muncipalities out there are unable to pay that, with the result that the relief has been cut down in some instances to one-quarter. Some of the municipalities cannot even pay $7 to a single man, a transient, with the result that some men are drawing only $3.75; others are getting $5 per month, and the rate is made up to the $7 allowed by the municipality. Surely the minister must realize that that is very unfair.

Again, the complaint is made by great numbers of returned men that they are told by the municipalities: Go to the pension board; this is not a case for us at all. I am stating actual facts; the municipalities are compelled to do this because they find themselves faced with so large a number of unemployed and so many appeals to aid returned men, that they are saying to these men: We can do nothing for you. The minister should this new year review the whole matter of the relief basis and not only in such cases as I have cited where municipalities are paying only $7 to single and $11.50 to married men. He should take note of that and also of the fact that many returned men are being denied relief and so find themselves up against it.

Mr. SUTHERLAND: The hon. member is partly in error when he states that if a municipality were giving $7 to single men, and a returned man was drawing a pension of $5, we would make it up to $7. We would make it up to $15 regardless of what the municipality was paying. We have a basic rate which is a minimum rate. It is only when the municipalities pay more than our basic rate that we put the latter up. In case such as he has cited we would bring the amount up.

Mr. REID: I am glad to hear that. I can assure the minister that those complaints were made to me in all seriousness before I left for Ottawa. Has the minister any statement to make regarding the returned man not on pension? I know every consideration should be given to those who have been wounded, but there are others who find themselves in pretty bad circumstances not only physically but financially and who are being turned down by municipalities that say: It is too bad, but you should apply to the pension board for assistance.

Mr. SUTHERLAND: That is a very rare thing for municipalities to do, because if a man has not a pension we can take it as a general rule that his value on the labour market is not impaired or diminished by any war disability.

Mr. REID: It is not a case of the labour market. We perhaps have peculiar conditions out there. We have hundreds of men on small holdings who are being kept by the municipalities, many of them being returned men. It is a case of destitution, not of the labour market.

Mr. POWER: It seems to be thought that there is a discrimination in favour of imperial soldiers and men who served in allied armies, in the matter of distribution of relief. As the minister read out the categories entitled to relief I understood him to say that first, Canadian pensioners who are obtaining a pension of from five to twenty per cent, and secondly, enumerating the classes who served in the imperial army or allied armies, he stated that in those cases a man who had received a gratuity in lieu of pensions was entitled to relief, whereas a Canadian soldier was not entitled to relief at all if he had received a final gratuity. Am I right?

Mr. SUTHERLAND: No, these are all pensioners, former members of the imperial forces or the forces of His Majesty's allies who were resident in Canada on or before December 1, 1924, who are in receipt of pension payable by their respective government—

Mr. POWER: Read on.

Mr. SUTHERLAND: Or who have received a final payment under the provisions of any act or regulation for permanent disabilities assessed between five and twenty per cent. That last clause of course applies mainly to Imperials. Canadians who received a final payment other than a gratuity, are entitled to relief if the pensionable disability has persisted.

Mr. POWER: I understood from the minister a moment ago that Canadians who had received a final payment were not entitled.

Sir EUGENE FISET: Yes, that is the answer that was given.

Mr. POWER: Did I understand the minister aright?

Mr. SUTHERLAND: I referred to those who have received a final payment under the provisions of any act or regulation for permanent disability assessed between five and twenty per cent.

Mr. POWER: They are not entitled to relief?

Mr. SUTHERLAND: Yes, they are subject to the condition I have named.

Mr. POWER: Then I take it that Canadian soldiers not entitled to relief are those who received a final settlement of less than five per cent, that is the $75 or $100 gratuity which was granted on discharge?

Mr. SUTHERLAND: That is right.

Mr. MULOCK: That does not change what was said before. Pensioners who are in receipt of pensions between five and twenty per cent are entitled to the benefit of this legislation?

Mr. SUTHERLAND: Correct.

Mr. BEAUBIEN: Suppose that in my own district, where it is all rural municipalities, not very anxious to give relief, a small pensioner is out of work and the municipality refuses to recognize him; is there any place he can go to get redress?

Mr. SUTHERLAND: Yes, he should make application at Deer Lodge hospital.

Mr. RALSTON: Is there any connection between the staff, or is it the same staff that

investigates the needs of the applicant under war veterans' allowance legislation and applicants for relief? Are they the same people?

Mr. SUTHERLAND: Yes, to a large extent they would be.

Mr. RALSTON: For instance, not to mention any names, in Montreal or Halifax is it the administrator of the unit who has charge of the investigation as to the need of the applicant?

Mr. SUTHERLAND: Yes.

Mr. RALSTON: In Montreal say, has he a board of two or three?

Mr. SUTHERLAND: No, there is no board. The district administrator would be governed by the general regulations and he would have to make the decision.

Mr. RALSTON: Would he make a personal investigation?

Mr. SUTHERLAND: Yes.

Mr. VENIOT: I wish to ask a question concerning the methods adopted in New Brunswick to ascertain who are entitled to allowance. Suppose an application in my home town is made by a pensioner under this act I understand an inspector is sent or asked to make a report upon the applicant. I forget the inspector's name—he resides in the county of Northumberland. Has that inspector authority to decide upon the amount of relief that pensioners should get?

Mr. SUTHERLAND: No, he would first have to make a report to Lancaster hospital in St. John.

Mr. VENIOT: Well, it is not being done. The inspector goes to the house, questions the family and tells them right then and there, "you can get so much and no more." I know one case where the pensioner was getting about $13 a month. He was a major in the army overseas. He was out of work and applied for relief. He finally got word from this inspector in the next county, who sent an order for groceries to the amount of $4.28 per month, I think. That was all he could get. That inspector never inquired what was being granted by the county of Gloucester or the municipality; all he allowed that family to get—husband, wife and I think two children certainly one—was $4.28 a month for groceries. I do not think that is right.

Mr. SUTHERLAND: If the hon. member will drop me a line giving the name I will look into it. I think he is entitled to more relief than that.

Mr. VENIOT: Well, the man has work now; he does not require relief. But he certainly did at that time, and he refused to accept that order; he felt it was an injustice. He said he was not looking for charity, and he refused it. He brought the order and showed it to me. He said: "If I cannot be treated better than that I will not accept it at all." This is going on in Northumberland and Gloucester.

Mr. HOWDEN: I have a matter to bring to the attention of the minister. It may not properly come under this vote, but I consider it important. Perhaps the quickest way to present it would be to read a communication from the office of the ladies' auxiliary, Canadian War Disability Pensioners' Association:

On behalf of the Ladies' Auxiliary to Canadian War Disability Pensioners' Association, I am instructed to call to your earnest attention the fact that we are suffering grievously by not being able either to get free medical relief or to pay for it. Our incomes, as you know, are very small, and it is utterly impossible to pay medical fees, consequently we have to suffer.

A short time ago the child of one of our Winnipeg pensioners died for lack of medical attention. This has been verified by a letter to the press, by Dr. McPhail of Winnipeg, the doctor who was called in after the disease had gained too much headway. This is only one case—there are many, many others.

People on relief in this city, even the former enemy people, are able to get free medical assistance in time of sickness, but we whose husbands gave their best to the country have to go without and suffer in silence. Many of our members (including myself) and our children are in need of medical and dental assistance right now, but cannot get this help. We would also like to be allowed to engage our own family doctors, as is now being done by families on relief in this city.

Sick benefits are given to needy pensioners—why not extend it to their dependents—their needs are equally great.

This is a decided injustice, and we believe that if this is brought to the attention of those in control, that the situation can very easily be remedied, therefore, we hope this matter will have your careful and immediate attention.

That is signed on behalf of the above association by a number of ladies, whose names it is not necessary to read. I may tell the minister that this is not the first I have heard of this state of affairs; it has been put up to me, as it were, a number of times by the wives and widows of overseas men that it was impossible for them to obtain medical relief for either themselves or their families. It seems a pity to think that they should be penalized merely because their husbands were overseas and rendered service to the country, because all others in our part of the

country, just now at all events, certainly can get medical relief when it is needed. I am not very familiar with the regulations in connection with war pensioners, but I have read this letter to the minister and I would like to hear what he has to say in regard to the matter.

Mr. SUTHERLAND: That brings up the matter we were discussing before recess. The dominion government has never recognized that it was responsible for medical relief. During the last few years, since the question has been brought up, we have gone on the assumption that it was the duty of the municipalities to look after medical relief, with the exception of the pensioners themselves. We have taken the ground that because a man went overseas, his wife and family have not lost their rights of citizenship or their right to secure certain care such as medical relief from the municipalities in which they reside. We maintain that the municipalities taking that stand—there are not many—are hardly playing fair with those people.

Mr. HOWDEN: Possibly it would not be a practicable procedure, but I suggest to the minister that some action might be taken by his department in regard to these people and the municipalities in which they live. It seems too bad that municipalities should shrug their shoulders and refuse to have anything to do with them. There must be some responsibility somewhere, and if it does not rest with the Department of Pensions and National Health someone ought to point out to these municipalities that these people are very seriously in need. It might not be the business of the minister's department to take up the matter, but it seems to me that in a large way it is the business of the federal authority at all events to see that these people get the succour they deserve. I am just leaving it with the minister in that way, in the hope that something may be done.

Mr. MacINNIS: I was just going to bring up the point that has been raised by the hon. member for St. Boniface. Mine is not a particular case, but rather a general complaint from the pensioners on relief in the constituency which I represent. They make the same complaint, that while city relief recipients receive medical attention and medicine to some extent at least through the civic authorities, the pensioners on relief are not allowed the same advantages. There is also a complaint in regard to the fact that relief is not paid in cash. I would like to ask the minister how the relief is paid.

[Mr. Veniot.]

Mr. SUTHERLAND: We never pay in cash; we pay in orders for goods such as groceries and fuel, and for rent.

Mr. MacINNIS: Is there any good reason why payment should not be made in cash? I believe the municipalities are adopting that method now. When relief was started I think the practice was to handle it by means of relief vouchers, but now I think most of the municipalities are paying in cash; at least the tendency is very much in that direction. Has the minister considered that matter, and is there any possibility of payments being made in cash?

Mr. SUTHERLAND: Of course there is this difference, that the pensioners are receiving their pensions in cash; that is not affected at all. It is simply the supplementary relief that is issuable by these orders.

Mr. MacINNIS: I am aware of that, but I have before me a typical case of a five per cent pensioner who also receives an allowance. The pension amounts to about $7.75, and that is paid in cash. The relief allowance—this is for a family of five—amounts to something like $34.65, which would be paid in vouchers for certain kinds of goods. Are the particular commodities and quantities stated in the vouchers?

Mr. SUTHERLAND: I am informed that they do not specify a pound of rice or a pound of meat or anything like that; they are for so much food.

Mr. MacINNIS: Is there any allowance in the vouchers for medical attention or medicine?

Mr. SUTHERLAND: Medical treatment is only for the pensioner himself.

Mr. MacINNIS: Of course that makes it rather difficult, because where there are families usually it is the families that need the medical attention. I think the allowance is altogether too small. In the case I have before me the pensioner on relief receives a pension of $7.75 and a relief allowance of $34.65, or a total of $42.40. Out of that comes fuel, an average of $5 a month, which I think is a very low average even for the lower mainland of British Columbia. There is an allowance of $1 a month for electric light, which I think also is very low. Then there is 60 cents for an evening paper, $1.25 for car fare and $12 for rent. It will be noticed that the rent accounts for a large portion of the allowance. That amounts in all to about $19.85, leaving a balance of $22.55 for food for the family for a month. That works out

to about $4.50 per person per month, or about 5 cents per meal. With food prices going up I think that is altogether too little. I was wondering if the government had considered restoring the cut that was made some two or three years ago.

Mr. SUTHERLAND: The grant depends entirely on the municipality. They know the cost of living in their own district, and when they set a level we conform to it. We rely on the judgment of the people who are acquainted with local conditions.

Mr. MacINNIS: Then will the minister take under consideration the payment of the allowance in cash?

Mr. SUTHERLAND: In my judgment it works out better according to the present plan. I have not heard any particular complaints about it; I think everyone is fairly well satisfied.

Mr. MacINNIS: Evidently these people are not satisfied.

Mr. MULOCK: Has the minister the amounts paid for unemployment relief in the last four years, and are they less than they were four years ago?

Mr. SUTHERLAND: The figures are as follows:

1929-30	$ 517,947
1930-31	907,010
1931-32	2,082,052
1932-33	1,978,284
1933-34	1,912,563

Mr. MULOCK: Has the minister the number of people benefiting in each of those years?

Mr. SUTHERLAND: Yes. The figures are:

1925-26	3,121
1926-27	4,079
1927-28	4,182
1928-29	4,647
1929-30	5,548
1930-31	8,811
1931-32	12,303
1932-33	14,368
1933-34	12,735

Mr. MULOCK: Was there a change in rate a few years ago?

Mr. SUTHERLAND: The rate has been changed gradually. As the municipalities changed their rates, for various reasons, then our rates would change.

Mr. MULOCK: Has the rate been increased or lowered?

Mr. SUTHERLAND: As a rule it has been increased.

Mr. MacLEAN: There is another class of returned man who receives no benefit under this form of relief. I refer to the man who suffers from severe disabilities, whose case has been heard and turned down by the pensions authorities but who is not given any relief. In Prince Edward Island the matter of relief is handled by the provincial government, and the amount allowed is very small. The greatest amount paid is $5 per person, and at the present time we have many cases of extreme need among our returned men. I know the minister will reply that because those men are not receiving a pension they cannot come under the scheme, and cannot obtain an order for groceries or supplies as could a pensioner. Has special consideration been given to that class of men? They suffer from disability, they are not able to earn their living, and employment is very scarce. Yet they cannot get relief under any of the schemes, and they are suffering a hardship which the department of pensions would do well to consider. I know the minister will reply that before he could do anything the act would have to be changed. In many cases those men are suffering actual disability but unfortunately they cannot link up their disability with overseas service, and for that reason are turned down. They receive no assistance from the government despite the fact that they gave of their best in the world war.

Mr. SUTHERLAND: We have given a good deal of consideration to those men, and I have every sympathy with the class the hon. member has mentioned. No matter what our law may be there will always be certain cases on the border line. It is impossible under this type of relief to have any other basis of entitlement. The municipality should assist where the men are not getting pensions.

Mr. SANDERSON: A few moments ago the minister said that the department did not pay out any cash in connection with the relief fund, but that they issued vouchers. Who issues the vouchers?

Mr. SUTHERLAND: In a Stratford or Woodstock case it would be a relief officer from London.

Mr. SANDERSON: An officer in London would issue the vouchers for St. Marys and surrounding country?

Mr. SUTHERLAND: Yes.

Mr. SANDERSON: On whose authority would he issue them?

Mr. SUTHERLAND: I know that not long ago a relief officer was in Woodstock and the people who thought they were entitled to relief got in touch with him and made their arrangements. I have no doubt the same applies to St. Marys and Stratford.

Mr. SANDERSON: Can a returned man who receives a voucher go to any store he chooses? Are they honoured in all stores?

Mr. SUTHERLAND: No, but the man may select his own store.

Mr. SANDERSON: As a matter of information, and without any desire to criticize, may I ask by what means those requests are placed before the minister or his department? If he decides relief should be granted, what happens? Do the requests come from the individuals who are interceding on behalf of the returned man?

Mr. SUTHERLAND: They may come in one of several ways. A man may communicate directly with London. He may communicate with my hon. friend, and we would get in touch with London. Then, the head of the legion might write.

Mr. SANDERSON: There must be some overlapping if those who are entitled to relief are to get it. Undoubtedly there are many persons who do not know about the relief. As the minister has said, they might come to me, as a member of this house, or they might go to the mayor of the town, or to the legion; but apparently there is no plan under which urgent cases may be dealt with without going through a procedure which would use up a considerable amount of time. I am not suggesting the department should advertise that it is giving relief, but is there no policy under which a returned man may know that there is an unemployment relief fund and that he may obtain relief without delay or red tape?

Mr. SUTHERLAND: I do not think there would be anyone who would not know he was entitled to relief. They are pensioners receiving their cheques each month, and they may write to the district administrator and receive immediate attention. In all cases our officers are instructed to act with the greatest possible dispatch.

Mr. SANDERSON: I suppose the representative in London, for instance, has several men working under him?

Mr. SUTHERLAND: Yes.

Mr. SANDERSON: Do the officials acquaint themselves with the case of every individual who applies?

[Mr. Sanderson.]

Mr. SUTHERLAND: Oh yes. They check up on the statements and as to the need, whether they are working and so on.

Mr. SANDERSON: Do they travel around or do they do it by communicating with someone in the town from which the clain comes?

Mr. SUTHERLAND: In both ways. They would probably get in touch with the man personally, and they might follow that up by letter. They do keep in very close touch.

Mr. SPEAKMAN: I should like to emphasize again a point that has been raised by a number of hon. members, and that is in respect of the medical attention necessary for the families of pensioners who are on relief. The minister knows that in practically every municipality where a system of civic relief is being carried on, accompanying the relief is a modicum at least of medical attention supplied to the familes on relief which they are unable to pay for themselves. I have no such cases in my territory because it is a rural territory, but I have had the matter brought to my attention rather forcibly by citizens of Calgary and Edmonton who have sent to me a number of requests individually and from organizations and have cited cases in both these cities. In both Calgary and Edmonton not only is nursing and medical attention given to the families of those on municipal relief, but in many cases where the condition of a member of a family requires it special allowances are made for special diets and so forth in the case of certain illnesses and weaknesses. None of that, however, as I understand it, is provided for the families of pensioners who are receiving this form of relief. It has been suggested, of course, that the municipalities, being relieved of any other burdens with respect to the families of pensioners, should be glad to look after their nursing and medical attention, and possibly they should, but the fact remains they do not. They assume no responsibility whatever in respect either of the pensioner or of any member of his family. Although the intention of the act and the policy of the department is to bring these small pensioners up to a parity so far as relief is concerned with the civilians on relief in that particular municipality, the fact remains that the returned men are not on a parity because it is a certain drain on their resources to provide the medical attention that their families require. I am not certain as to the extent to which the act would make it possible, although I am reasonably familiar with the act, of course, having been working in that connection for a great many years. I

am not certain that the act itself would allow sufficient latitude, although I am inclined to think it would. If it does not, having regard to the fact that the present situation is not in consonance with the desire of the house, the policy of the department, or the statute itself, the desire being to put the pensioners on a parity with those on civilian relief, I would suggest that, if it is necessary, a slight amendment be made to the act to enable that to be done. If the necessary power is already contained in the act I suggest that the regulations be extended to make this possible, because I can assure the minister from a number of cases with which I am reasonably familiar that because of this possible lack of specific provision in the statute there is a distinct hardship in a certain number of cases. Moreover it does create what we are anxious to avoid, that feeling amongst the returned men that they are not being dealt with on a parity with the civilian population; that instead of discrimination, if any, being in their favour as most of them think it should be, and as I believe it should be in that respect, it is against them. Of course I am perfectly aware that this has been carried on under this and other governments, that it has been the practice for many years, but at the same time it is not a practice of which I approve. The cost would be insignificant in relation to the good, both actual and physiological, that would be done by taking that wider and more generous view of the statute, and it would be worth while both as a matter of physical aid and in respect of the contentment of mind that would follow on the part of those so treated.

Mr. SUTHERLAND: That undoubtedly is the view of a great many, but the point is this: If these people are discriminated against it is not the dominion that is doing it; it is the municipality. These people did not lose all rights as citizens of the municipality because they went to the war. There is also this about it. In the two municipalities which my hon. friend mentioned, Calgary and Edmonton, I am informed that we are getting very few complaints. There were some in Calgary at one time, but now I understand the matter is being looked after there. There never has been any complaint from Edmonton so far as I have heard.

Mr. SPEAKMAN: I am very glad there is not, because it is not so very long since that a complaint was registered with me. They were not complaining as to the administration of the act. The officials were perfectly sympathetic. It was the policy that was complained of.

May I just suggest this to the minister? He is perfectly right in saying that these pensioners by reason of their being returned men have not lost their civilian rights. They still have all the rights of civilian citizens of the municipality, and the municipality might very well provide such medical care as is required. But the dominion government has taken over the responsibility not only so far as the men themselves are concerned, but in respect of rentals and fuel and food for their families. They have taken over the entire responsibility for the men and their families. I think they have taken the ground, and it is sound ground, that were it not for the condition of the men it is possible that they would be able to look after themselves and their families. That permeates our entire federal legislation with respect to the returned men—our pension law, our veterans' allowance legislation and most of our acts in relation to the returned men. The responsibility for the dependents of the returned men is included in the responsibility for the returned men themselves. That is in our pension act, where the state assumes the responsibility of paying not only a pension but an additional allowance for the wife and each of the children of the pensioner. Responsibility for the family is assumed as part of the state's responsibility for the man himself, and I suggest that it is not out of the way to carry that assumption of responsibility one step further in dealing with what is one of the most difficult features of the whole situation. As the minister very well knows, the difficulty arises partly from the fact that the pensionable disability bears but little relation to the entire disability. The pensionable disability frequently means the whole difference between employability and unemployability. That a man has a low rate of pension does not mean that he is suffering from that same degree of disability in the employment market. Having regard to all the precedents we have set in our federal laws in dealing with returned men and the interpretation which has been placed upon that responsibility, the minister would do well to consider this matter further.

Mr. MULOCK: A few moments ago I understood the minister to say that these vouchers were given out by relief officers. I assume he means relief officers representing his department and not the municipality.

Mr. SUTHERLAND: Yes.

Item agreed to.

Pension appeal court, $19,800.

Mr. MULOCK: I understand from a statement made the other day that there have been four more appointments to facilitate the hearings of these appeals. Is that correct?

Mr. SUTHERLAND: This is the pension appeal court item; that is under the pension commission.

Mr. MacINNIS: Where the pension board appealed from the findings in the first instance and the appeals were lost, from their point of view I should like to have some information regarding five cases that have been under consideration. One of them was settled last year and of the other four, one of the pensioners, a Mr. Smith of Vancouver, has written to me. These four are still waiting on the acceptance of the findings of the commission in their cases. Can the minister give me some information regarding these cases?

Mr. SUTHERLAND: These cases were decided as to entitlement and the matter is now receiving final consideration by the chairman of the pension commission. It came up the other day. Someone wrote to me and that was the information.

Mr. MacINNIS: The persons concerned may expect final settlement shortly?

Mr. SUTHERLAND: They will receive final consideration shortly, yes.

Item agreed to.

War veterans' allowances, $2,250,000.

Mr. SANDERSON: How many are now receiving assistance from the war veterans' allowances?

Mr. SUTHERLAND: The total number in force on December 31 last was 6,755, and there were dependent allowances of 97.

Mr. SANDERSON: How does that compare with the year before?

Mr. SUTHERLAND: On March 31, 1934, there were 5,837. It is gradually increasing.

Mr. REID: What would be the cost if the age limit were lowered from sixty to fifty-five?

Mr. SUTHERLAND: If the age of entitlement were changed from sixty to fifty-five it would cost some two million dollars a year more.

Mr. SPEAKMAN: Has the minister before him the numbers in the two classes—that is, the class that are in receipt of allowance because they have arrived at the age of sixty, and the class that are in receipt of allowance because, although not yet sixty, they are so disabled mentally or physically as to be unemployable. The answer the minister gives will have a bearing on this question, because a large proportion come under the class who, though below sixty, are receiving allowance on account of disability that makes them unemployable, and that class would not increase by the lowering of the age of entitlement.

Mr. SUTHERLAND: Under sixty there are 2,065, and over sixty there are 4,690.

Mr. REID: In view of the fact that over two million dollars is provided for relief for unemployed pensioners, I wonder how many of those would come between fifty-five and sixty. It is true it would take two million dollars more if the age limit were reduced, but has the minister considered exactly what the actual cost would be provided those on relief were taken up and the limit lowered?

Mr. SUTHERLAND: This takes into account everyone who would be eligible between the ages of fifty-five and sixty whether on relief or not. If they were on relief they would be eligible for this if the age were made fifty-five.

Mr. POWER: Only yesterday I made inquiries of the officers of the department as to what the extra cost would be if the age at which the war veterans' allowance began were lowered from sixty to fifty, and I was told that next year instead of $2,500,000 it would run to $7,500,000, and within ten years the total xpenditure on the upward curve would run into $106,000,000 instead of $42,000,000. These figures seem to be in the hands of the officers of the department and it would be well to have them known to the public before further agitation is carried on to lower the age from sixty to fifty. If the cost is only $2,000,000 we may have an agitation, but if it is clearly shown that we shall move by leaps and bounds and that the very principle on which the War Veterans' Allowance Act was founded will be destroyed, then that ought to be made quite clear right at the beginning of any propaganda for lowering the age limit; because the principle on which this whole legislation was founded was the presumption that a man of sixty was likely to be incapable of earning a living. But I have never heard anywhere that a man of fifty was to be put aside as incapable —let us hope not, as I believe the Minister of Railways suggests. I think the country ought to know just what expense would be involved.

Mr. SUTHERLAND: The estimated expenditure during the coming fiscal year, as the act is at present, will be approximately $2,500,000. If the age were changed to fifty-five it would cost $4,500,000. For the period of

the next ten years the cost, if the act were left as at present, would be $42,000,000. If the age were changed to fifty-five the cost would increase to $68,000,000.

Mr. POWER: Increased to or by $68,000,000? It increases from $2,000,000 to $4,000,000 in one year, and I can imagine that if at one period it is $42,000,000 it would increase to at least $80,000,000.

Mr. SUTHERLAND: Of course, a certain number drop off all the time; a number of them are dying.

Mr. POWER: But there is an upward curve that runs up to 1950 when it will be well over $12,000,000.

Mr. SUTHERLAND: I do not think these figures are wrong; they are dated just last week. If the age were changed from sixty to fifty the cost for the next fiscal year would rise from $2,500,000 to $7,500,000, and for the period of the next ten years the cost would be $103,700,000 instead of $42,000,000, which it will cost if the act is left as at present.

Mr. GERSHAW: I understand that a returned soldier may qualify for this allowance at any age if he is totally and permanently unemployable. There is a great deal of difficulty about proving that condition and I should like the minister to tell us what evidence he requires before admitting that a man is totally and permanently unemployable.

Mr. SUTHERLAND: They have to take the opinion of doctors; they are dependent upon a medical examination to be made by departmental doctors. In that connection it is rather interesting to note the different ages at which people are drawing this veteran's allowance. There is one man eighty-nine years old who is drawing it; one, eighty-eight; two, eighty-four; six, eighty-two; four, eighty-one, and then to go to the other extreme, there is one, thirty-two years; eight, thirty-three; twenty-one, thirty-four. That shows the tremendous spread in ages of those brought in under this act.

Mr. POWER: How was that man who is now eighty-nine years old ever allowed to enlist? He must have been sixty-nine when he enlisted.

Mr. SUTHERLAND: That is the extraordinary feature; sometimes they got in.

Mr. SANDERSON: Could the minister give by provinces the number who are receiving aid under this act?

Mr. SUTHERLAND: The figures are as follows:

District—	Number
Quebec	624
Nova Scotia and Prince Edward Is.	402
Eastern Ontario	321
Central Ontario	1,564
Western Ontario	405
Manitoba	684
Saskatchewan	330
Alberta	529
British Columbia	1,698
New Brunswick	198

Mr. MULOCK: When they are deciding whether a man is unemployable under this act, do they take into consideration his former occupation only?—because he is simply handicapped in the labour market to-day, and that is the difficulty in regard to some of these cases. If his condition as it was before the war in connection with the kind of work he was doing is to be the basis, I think it would be well if this were made known in certain districts, because there is a little misunderstanding on that point. As an hon. member stated a moment ago, that is the difficulty in deciding whether a man is employable or not. That is where the difficulty has arisen in quite a few cases under the act.

Mr. SUTHERLAND: To come under this act if he were under sixty years of age, he would have to be considered permanently unemployable.

Mr. COOTE: Is that absolutely so? I must confess I have not looked at the act for two or three years. I was on the committee that drafted it and naturally I used to be familiar with it. But my recollection is that a certain amount of casual earnings was permitted without the man being deemed to be ineligible for the allowance.

Mr. SUTHERLAND: Certain casual earnings are allowable.

Mr. COOTE: My recollection is that there is a certain latitude in the case of small, casual earnings, but apparently that does not apply to a man under sixty.

Mr. SUTHERLAND: It is really the old age pension scale. We are allowing $365. A single man would get $240, but he would still get the $240 if he had $125 from some other source.

Mr. COOTE: That is if he is sixty years old or over?

Mr. SUTHERLAND: It applies in both cases.

Mr. COOTE: But in order to be considered as sixty before he reaches that age, he must be wholly unemployable?

Mr. SUTHERLAND: Yes.

Mr. HOWDEN: Who would be the referee in the matter of these disabled individuals? Naturally he would be a medical man, but I assume he would be in the employ of the department.

Mr. SUTHERLAND: The final decision rests with the War Veterans Allowance Committee which has a medical adviser.

Mr. VENIOT: I wish to direct attention to a case that recently came under my notice. Under the act a soldier's widow who remarries, if her second husband dies within five years, can become pensionable again.

Mr. SUTHERLAND: That is correct.

Mr. VENIOT: I know of one or two cases where the widow remarried after drawing a pension for, say seven or eight years or five or six years and now she is a widow again. Her second husband has died, but she is over the five year period, having been married more than five years the second time. These women are in desperate circumstances, and I was wondering whether the government has taken into consideration amending the act in that regard. Of course the second marriage saved a lot of money to the government in pension, but I do not think they would lose anything if they extended the period beyond five years, making it ten years, so that the woman would again be entitled to pension.

Mr. SUTHERLAND: As the hon. member knows, that would have to be given considerable thought.

Item agreed to.

National Health—
The administration of the acts respecting food and drugs, opium and narcotic drugs and proprietary or patent medicines, including the laboratory of hygiene, $130,000.
Public health engineering, $15,880.
Marine hospitals, including burial expenses of destitute deceased mariners, and grants to institutions assisting sailors, $163,500.
The administration of the acts respecting quarantine and leprosy, $150,000.
Immigration medical services, $126,920.

Mr. HOWDEN: It was pointed out last night in the course of the discussion on the unemployment insurance bill that the Department of Pensions and National Health had quite wide powers in regard to the health of the Canadian people. In that connection I should like to ask the minister whether any survey or inquiry has been made by the department at any time of which he has knowledge into the cost and efficiency of medical service to Canadian people.

Mr. SUTHERLAND: Nothing has been done in such detail as that, because it has been realized, or at least I have realized—and I took a great interest in this work even before I took charge of the department—that the assistance and cooperation of the medical profession are of great importance in such a survey. As the hon. gentleman well knows, that aspect of the question has received a great deal of care from the medical associations, both dominion and provincial. All that work is in process of completion and I do not see any use in trying to duplicate that investigation. As soon as it is finished, it undoubtedly will form a splendid basis for possible further investigation in detail.

Mr. HOWDEN: Surveys of this kind have been made in both Canada and the United States. I believe it has been estimated that the cost of medical service to the Canadian people, largely a direct charge, is about $311,000,000 a year. On the other hand it has been estimated that the cost of medical service to the people of the United States is something over $3,500,000,000 a year, which figures out in both instances at around $30 a head. During the regime of President Hoover an inquiry was undertaken as to the cost of medical service to the people of the United States. Of course the United States is not Canada, but the two peoples live side by side; they have a common language and to a large extent their civilizations are similar. Before this inquiry was entered upon it was realized that there was a great deficiency in medical service to the American people, and on the other hand it is well known that medical men are driving taxis and doing manual labour and institutional work for which they receive little or no remuneration. An inquiry was therefore set on foot; a survey was made of some 1,800 families in all economic grades, and some very interesting facts were ascertained. I do not propose to burden the committee with much detail, but I will state a few of the facts that were ascertained. The matter is covered in a synopsis appearing in a current journal. It was found that 52 per cent of the American people receive no services from a physician. I think these figures would largely correspond with conditions in this country. It was found that 79 per cent get no attention from a dentist, that 89 per cent receive no health examination or similar preventive service, and 62 per cent receive no medical, dental or eye care of any sort. These statistics are for the prosperous years of 1928-29. Conditions are indubitably much worse now.

On the other hand it was ascertained that although many doctors have good incomes, one-third of all the physicians in the United States had incomes of less than $2,500, even in 1929. More doctors were found in the $1,000 to $2,000 class than in any other. It was also found that 16 per cent of American families spent less than $10 a year for medical service; forty-six per cent spent less than $40 a year; four per cent spent more than $500, and one per cent spent more than $1,000. It will be readily apparent that those who spent only $10 a year were not a matter of great importance, or even the $40 class, but for the four per cent whose expense for medical service was over $500, and that one family out of a hundred which was called upon to bear an expense of over $1,000, it was a very serious matter. While one family in every hundred was under an expense of $1,000 a year it must be evident that in a great many instances other families needing similar service could not possibly bear that expense. In such event there would be only two alternatives, one to go without medical attention, and the other to seek free service at the expense of the medical man or the community. Some people pay their way, but the expense of those who are unable to pay their way must either be undertaken by the municipality or the doctor must render free service. It is customary I admit for medical men to make those who do pay bear to some extent the cost of those who do not pay, and perhaps the cost to those who pay is increased by the idle time of the physician waiting for potential patients who fail to seek his assistance. The consequence is that those who do pay are called upon to pay heavier fees, and as fewer are seeking medical assistance all the time, the fees to those who do seek it and who pay their way must rise. It must be evident that very few people could bear an expense of $1,000 a year for medical service. But there is a means by which the matter could easily be taken care of. It was found that the expense averaged $30 per head to the American people for a very inefficient service, whereas for very little more, that is for about $36 a year, a complete and efficient service could be supplied to the people of the United States, and I assume to the people of Canada as well, by bringing together the sick on the one hand and the idle doctors on the other. This would have to be done either by a form of sickness insurance or by state intervention of some nature, and I suppose if we are going to have state intervention it would have to be some form of sickness insurance or else of state medicine. I do not propose, however, to take the time of the committee to-night in a discussion of that point. At present most of the provinces of Canada have state medicine; the municipalities are paying for medical service for their residents in the form of fees according to a regular scale. But when by a little effort, by the establishment of a system of sickness insurance or state medicine, we could cover this entire field and give everyone a satisfactory medical service, it seems so desirable to do so. It is clear that it is a matter for the Department of Pensions and National Health, and the national health of the people far outweighs the pensions side. It is a matter which this department should take into serious consideration.

Mr. SUTHERLAND: I am sure everyone has been much interested in the remarks of the hon. member for St. Boniface. In my judgment the country is gradually tending towards some form of state medicine, for the reason that he has mentioned, that at the present time the full advantage of medical knowledge and treatment are not available to all the population. But while realizing the desirability of some form of state medicine, I suggest that the matter has to be approached very gradually, because the medical profession have to go along with it; and there is this point to be considered as well, that, as every doctor knows, the personal element is very important in the relationship between the doctor and patient.

Mr. HOWDEN: The personal element need not be lost.

Mr. SUTHERLAND: It must not be; I think the whole scheme would fail if it were. But if all the doctors in the country were put on a panel system or a salary system I am afraid that unless great precautions were taken the personal element would be lost. With fifty per cent of the people who go to a doctor it is not medicine that is needed, but sound advice, and if the doctor does not take time to consider the personality of his patient that important element is lost. Everyone knows that there may be one doctor who is very brilliant, perhaps having taken a gold medal at school. He goes out to practice; he is capable of giving the very best attention and he does a great deal for his patients, yet he does not get along and does not secure the number of patients that may seek the services of a man who is not so highly qualified. That is where the personal element comes in. The possibility of doing away with that, as might happen if we went too hurriedly into any scheme of state medicine, is something which must be kept in mind.

I must say that in Canada the health of the people is being looked after pretty well. In the earliest days the municipalities provided the small amount of care needed for indigents, and the system has progressed from that time on. Preventive medicine has been carried on by the municipalities and the provinces, and that is being looked after exceedingly well. One hon. gentleman who spoke the other night rather questioned our policy in Canada in regard to health, but statistics prove that in this regard Canada compares very favourably with any country in the world. It has been shown that any controllable disease, such as diphtheria, typhoid fever and tuberculosis, is definitely on the down grade in this country, because the people have been taught how to look after themselves, and for that reason our record is good. Some people seem to delight in saying that the health of our people is not being looked after and is becoming poorer, but as a matter of fact it is being looked after exceedingly well. The other night the hon. member for St. Boniface made a point which is absolutely true, when he said that the people are receiving care, though the doctors may not be getting their pay. Everyone who has taken any interest in the question knows that. In my own county no one has to go without the treatment he needs, either operative or medical, and I think that applies to a great extent all over Canada. I may tell the hon. member for St. Boniface that the government are seized of the necessity of giving this matter the most thorough study, of trying to correlate the various efforts being made along these lines, and of associating themselves with the various agencies working towards this end. I think, as the hon. member thinks, the time will come before long when steps in this direction will have to be taken, but it must be a gradual process.

Mr. HOWDEN: I very much appreciate the remarks of the minister; I am glad to hear him speak as he has, and I agree with almost everything he has said. I do believe, however, that for a number of years the subject has not received the serious attention and thought it has deserved, though now the public is making a general demand for medical service, and when the public makes a general demand for anything it usually gets what it wants in a comparatively short time. What I think is neither here nor there, but, as the minister said a moment or two ago, in many parts of the country, certainly in that part from which I come, people are getting a very fair medical service. They are getting the services of medical men and the drugs they require whenever and wherever they require or demand them; but as I have said before, the whole cost is falling on the municipalities which are struggling to keep their heads above water. As a consequence the medical men are not being paid for this service. I am not holding a brief for the medical men. I simply say that if the medical men are rendering good service —and I believe they are giving the people throughout the west and very largely throughout Canada a very satisfactory service—I think they ought to be paid a reasonable fee for it. If the fees now being paid by the municipalities could in some manner be augmented, then the people could have the doctors of their choice, and could have hospitalization whenever they required it. The difficulty with regard to the personal element, to which the minister referred, would be eliminated; people would have their own doctors and those doctors would receive reasonable remuneration for their services. The municipalities cannot do this alone; the little, struggling municipalities in western Canada can no more perform this service unaided than they can fly. I am appealing to the minister to-night because even with the assistance of the provinces the municipalities can barely perform the necessary services. I believe we require the joint action and interest of the three authorities, federal, provincial and municipal. If we can get that joint action we will have a satisfactory, non-compulsory system of state medicine which will be very much to the benefit and advantage of the Canadian people.

Mr. SPENCER: The minister made a statement a few moments ago that I cannot let pass without at least questioning it. He will correct me if I am wrong, but I understood him to say that the health of the people is being looked after exceedingly well. I have no doubt the medical profession do their best, but may I suggest that among the people requiring medical attention there are three main types. The first class consists of those who can well afford to pay for medical aid. The second class is composed of those who have not the means to pay and who therefore usually are looked after by charity, in most cases with the help of the municipality, either urban or rural. But there is another very large class between those two, composed of people who also suffer but who do not want to go on charity. At the same time they cannot afford to pay to have themselves looked after, and as a result they go to the doctor only at the last moment. The doctors must know this very

well. I do not know the situation in this part of Canada but I do know it in western Canada. The problem of caring for their health is one of the biggest problems confronting the Canadian people, and it is a nightmare to those with families. Great loss has been sustained by the country simply through illness that might have been prevented if it had been looked after in time. I have been told on good authority, and I have never heard it contradicted, that the yearly loss to Canada through sickness and untimely death is about $300,000,000. Surely if that is true it is not correct to say that the health of the people is being looked after exceedingly well.

Mr. SUTHERLAND: May I ask my hon. friend to repeat that figure?

Mr. SPENCER: $300,000,000.

Mr. SUTHERLAND: That represents what?

Mr. SPENCER: That is the annual loss through inability to work because of illness, and untimely death.

I am going to credit the minister with enthusiasm in the discharge of his duties, and with having attempted to do something the department has never attempted before, namely, to conduct an energetic drive towards cooperating with the provinces in a health policy. I am quite sure, however, that we will not have that drive if when we look at the situation to-day we say that the health of the people is being well looked after. I feel the medical profession are doing what they can, but on account of lack of policy and lack of coordination there are many people who because of the high cost of sickness, fear sickness more than anything else. For that very reason they will not seek medical aid, until the very last moment, and by doing that they are not fair to themselves or to the doctors.

Mr. SUTHERLAND: The hon. member must realize that we will always have a great deal of sickness and loss of time. The best that preventive medicine can do is to prolong life by five or ten years. Unfortuately we cannot prolong it indefinitely. We will never reach the point where we can stop sickness or death.

Mr. SPENCER: I hope the minister appreciates that through preventive measures the amount of sickness could be greatly reduced.

Mr. BLAIR: I approve of the movement now on foot, but I believe we must move with considerable caution. I met with some organizations in Ontario who were asked whether they approved of the principle of the dominion parliament interfering in matters of health. I am inclined to agree with the minister when he states that the public are being fairly well looked after. To-day we protect them from diphtheria and use other methods of preventive medicine which we did not have a few years ago. Speaking for the province of Ontario—I would not care to speak for the rest of the dominion—I should say the people are fairly well cared for. There is one point, however, to which I should like to direct attention. While guardians are punished if children under their care are not sent to school, on many occasions the health of those children is neglected, but the guardians are not punished. I believe some provision should be made to correct that condition.

If we are to introduce any measure for state medicine I believe the doctors as a profession must keep their prices at rates the public can pay. The figure of $360,000,000 per year for 10,000,000 people, or $36 per person, is far too high, and the public would be justified in resenting it. I believe the service could be given for a great deal less. The difficulty to-day is that the doctors are not being paid. I believe the municipalities and the provinces should shoulder the burden of caring for the people. So far as the federal government is concerned, I do not know where the money would come from, because after all this federal parliament is made up of members from the provinces. Further, the matter should not be considered too quickly. I was warned by medical men in Ontario that we must approach the subject very slowly because if rapid advances were made, public sentiment might condemn it. I believe the minister is acting properly in gathering information and permitting the public to feel its way. Eventually we may reach a point where there could be no reverses, and at a time when the public may demand further action we could go ahead and do our best. Although I am in favour of making inquiries, yet I feel caution should be exercised. Undoubtedly a reduction in fees such as has been suggested is required.

Mr. VENIOT: I notice under this item we have quarantines and leprosy. Could the minister give me information about certain work contemplated for the Tracadie lazaretto, and could he tell me what that work consists of? I believe a bowling green, a rink and the purchase of a certain number of radios has been considered.

Mr. SUTHERLAND: There was a plan whereby a large building would be erected for skating.

Mr. VENIOT: Skating for whom?

Mr. SUTHERLAND: I presume for the attendants, and I understand two or three of the lepers skate. That is my information received from the deputy.

Mr. VENIOT: What about the bowling green?

Mr. SUTHERLAND: The hon. member does not seem enthusiastic about it.

Mr. VENIOT: I certainly am not.

Mr. SUTHERLAND: I may relieve his mind by stating that we are not proceeding with the work at the present time. It has been stopped, pending further investigation.

Mr. VENIOT: I hope the minister will never go on with it. There are nine or ten lepers in the lazaretto, and of that number no more than two or three could avail themselves of a rink which would cost $5,000 or $10,000. So far as the bowling green is concerned I do not believe three of the total number of lepers could use a ball. Most of them are advanced cases. The intention was to place six or seven radios in the lazaretto.

Mr. SUTHERLAND: I never heard about that.

Mr. VENIOT: There was an idea to that effect. The former minister advertised it.

Mr. SUTHERLAND: I suppose he was going to donate them.

Mr. VENIOT: No, he was not; he is not as generous as all that.

Mr. HOWDEN: With regard to the narcotic drug act, are the offences as frequent as they formerly were? Is the matter now more under control than it was?

Mr. SUTHERLAND: The number of addicts within our knowledge is becoming smaller, and the prosecutions are fewer. The convictions in the last few years would indicate that. In 1929 there were, 567; in 1930, 458; in 1931, 338; in 1932, 340; in 1933, 240.

Mr. HOWDEN: Looking over this item there was something that has always occurred to me, and I mentioned it on the last occasion this item was up. The minister is familiar with what we call the infectious papilomata. There are three of them—leprosy, syphilis and tuberculosis. The scope of leprosy is fortunately very limited at the present time, but that is not so with these other two diseases, which are very similar in their pathology, in their general infection, and their widespread dissemination. If the government feel it incumbent upon them to assume control in the case of leprosy, I do not see why it is not equally incumbent upon them, if not more so, to do so in the case of these other two diseases. Their widespread occurrence is of intensely serious import, and it is hard to choose between them as to the damage they do to the human race. The suffering and tragedy they cause lead me to believe that the federal authority could very well take under its own charge the control of syphilis and tuberculosis and take the necessary steps and precautions to control their spread and fulmination. I think this is well worthy of the government's consideration.

Mr. RALSTON: I want to ask the minister to have a case looked into that has been brought to my attention. It is that of E. T. McKeen, inspector at Sydney, who was retired about two years ago and died a week ago. I have been asked to make an inquiry whether or not it was possible in view of his good service to make some allowance to his widow for pension. I do not know very much about the circumstances or how he was employed, whether he was a permanent officer or not, but I would ask the minister to look into it if he will.

Mr. SUTHERLAND: Yes.

Mr. HOWDEN: What does the minister think about the propriety of the department taking control over the two diseases I mentioned a moment ago? It is a very serious national matter.

Mr. SUTHERLAND: My information is that tuberculosis is being exceedingly well looked after at the present time. We owe a great deal to the Canadian Tuberculosis Association, which for many years has been spreading among the people the doctrine of prevention and care and treatment. I do not think any one disease we are subject to has received as much attention and care as tuberculosis, and in an effective way too, because tuberculosis is declining in Canada and we can hope that it will gradually be eliminated. It is not, of course, a disease like leprosy, where the possibility of cure is remote, although the chances even there are better now with a certain treatment that has been discovered. But leprosy is a loathsome disease and the sufferer from it must be segregated, whereas the tubercular patient after a certain period of sanatorium treatment can go home and, having learned to care for himself at the sanatorium, can carry

on his treatment at home and have a certain amount of family life. I do not think it is necessary for the state to take charge of that disease as my hon. friend suggests. With regard to syphilis, that is on a different basis. If a case develops and is diagnosed it will get treatment and there is no doubt that there is treatment for it in the first or second stages. It will receive treatment under the prevailing methods and means that we have. I do not think it is necessary to go to the extreme of the dominion taking over the responsibility for institutional treatment of either of these two diseases which my hon. friend has mentioned.

Mr. BLAIR: I wish the minister could give us some reassurance about the tubercular patients. I know of many homes where the tubercular patient is allowed to associate with the other children in the home, and I know of homes where one of the parents is tubercular. There are many families who cannot afford to send the tubercular patient to the hospital, and if some form of hospitalization for tubercular patients could be provided it would be of great assistance and mean a great deal to the families of these sufferers.

Mr. SUTHERLAND: Of course the hon. gentleman well knows that if a case of tuberculosis occurs in his municipality, the patient can be sent from his district I suppose to the Queen Alexandria sanatorium at London, and the municipality has to send the money to pay for the patient. There is a provision in the Ontario law that these cases must be looked after. Also in western Ontario, where we both come from, there are as the hon. gentleman knows travelling tuberculosis clinics which no doubt visit my hon. friend's part of the country, and any case that a doctor is a little suspicious about can be brought into the clinic for diagnosis. If the diagnosis is positive or it is a border line or suspicious case, or even one that would perhaps be better for sanatorium treatment for a little while, these cases are taken care of.

Mr. BLAIR: I realize that they can send the patient to the hospital, but the charge comes back on the farmer, who is not able to afford it. In many cases the expense keeps them from sending the patient to hospital because they have no resources with which to pay for the treatment, and the patient consequently stays at home with the rest of the family.

Mr. SUTHERLAND: It does not take a very long course of institutional treatment to teach a tubercular patient to look after himself so that he can go back and live with his family without being a menace. Undoubtedly there are some cases that are very difficult to deal with, even after they have been taught how to look after themselves; they go back and do not carry on the proper treatment. But where the father or mother is interested and will watch the patient, it requires only a very short period of institutional treatment for the patient to learn the routine and the regimen that is necessary to look after the disease.

Item agreed to.

European war—naval, militia and air forces after the war, $42,000,000.

Mr. RALSTON: What is the situation with regard to the marriage cases which gave us so much trouble last year? According to the Minister of Justice there were between 550 and 600 of these cases which had been referred to the Department of Justice. How many of them have been disposed of, and how, and how many are still in suspense?

Mr. SUTHERLAND: I have not that information. I realize that this item can hardly be finished to-night, and the next time it is called I shall have the information. I know that the acting chairman of the commission has been giving his personal attention to these cases individually. They are not completed, but there will be a definite and detailed report on the present situation.

Mr. RALSTON: I would refer the minister to the statement of the Minister of Justice to be found at page 1784 of Hansard of 1934, where he gave a classification of the cases. Perhaps that would help the minister to collect the information under these heads.

Mr. POWER: Has the minister any information with respect to the cases that were in the same category as the Skitch, Ouellette and other disputed cases? The Ouellette case is still before the court.

Mr. SUTHERLAND: I have not that information here. If the leader of the house would suggest adjourning at this time, I will have the information the next time this item is called.

Mr. POWER: Will the minister let No. 66 stand?

Mr. SUTHERLAND: Yes.

Progress reported.

On motion of Sir George Perley the house adjourned at 10.50 p.m.

Monday, February 25, 1935

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

PRESENTATION OF REPORT OF GEORGE A. TOUCHE AND COMPANY

On the order for motions:

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I desire to lay on the table parliamentary return No. 135, the report submitted by George A. Touche and Company, auditors of the Canadian National Railways, in connection with the writing down of the capital. While I am on my feet may I say that we did not receive a sufficient number of copies from George A. Touche and Company to supply all the members of the committee, but we have supplied them in alphabetical order as far as they would go, and we are getting others run off which will be supplied as soon as they are ready.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, I understand that the information which has just been laid on the table of the house for the first time was previously handed to the newspapers. I should like to know if the minister has any explanation to make in that regard.

Mr. MANION: I have no explanation to make, because I did not hand it to the newspapers. The report as we received it was supplied to some of the members, and quite possibly some member has handed it to the newspapers. We did not do so.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FARMERS' CREDITORS ARRANGEMENT ACT—ST. FRANCOIS, QUE.*

Mr. LAFLECHE:

What are the names and addresses of the farmers of the judicial district of St. François, who have made arrangements pursuant to the Farmers' Creditors Arrangement Act?

Mr. DUPRE: Mr. Speaker, I am advised by the hon. member for Richmond-Wolfe (Mr. Laflèche) that this question is to be dropped.

Mr. SPEAKER: Dropped.

POULTRY POOL SCHEME LECTURERS*

Mr. GERSHAW:

1. How many lecturers have been appointed in Alberta to promote the poultry pool scheme?
2. What are their names?
3. What remuneration is received by each?

[Mr. Sutherland.]

Mr. WEIR (Melfort): As this question is now worded there is no answer, as there is no scheme called the poultry pool scheme, and my information is that there has been no scheme submitted by the Alberta poultry pool. I presume the hon. member for Medicine Hat (Mr. Gershaw) has in mind a scheme known as the Alberta poultry marketing scheme. We understand that lecturers have been appointed, but at present their names are not available to the Department of Agriculture. Neither does the department know whether wages are being paid to these lecturers. When the returns are submitted by the sponsors of the scheme showing the expenses that have been paid, those returns will contain the names of the lecturers, and we will be glad to give the hon. member the information.

Mr. SPEAKER: Answered.

Mr. STEWART (Edmonton): I would suggest that the Minister of Agriculture try to secure from the pool the names of the lecturers. I understand the vote has already taken place. The selection of the lecturers must have been completed by this time and it would be only a very small matter to obtain from the pool the names, the addresses and the remuneration received. If we have to await the return made by the pool we may not receive the information before next September or October, and we are very anxious to get the information if it can be obtained in this way.

Mr. WEIR (Melfort): I thought I had made the matter abundantly clear when I spoke previously. We have no means of telling the remuneration paid, until returns are received. So far as the government is concerned we do not know whether or not any wages have been paid—certainly they have not been paid out of funds advanced by the government or by the dominion marketing board. I said to the hon. member who asked for the information that as soon as the returns were received showing how the money had been spent I would supply the information, and he seemed content. There will be no delay; as soon as the information is received it will be passed on.

Mr. VENIOT: That will cover all three provinces?

Mr. WEIR (Melfort): The other information will be available as soon as it comes in.

FARMERS' CREDITORS ARRANGEMENT ACT—SWIFT CURRENT

Mr. BOTHWELL:

1. Who is the official receiver under the Farmers' Creditors Arrangement Act at Swift Current?
2. When was he appointed?
3. On what basis is he paid?
4. What territory is comprised within his jurisdiction?
5. What amount has been paid or accrued to him since the date of his appointment up to the 31st of January, 1935?
6. How many farmers in his district have availed themselves of the provisions of the said act up to the 31st of January, 1935?
7. In how many cases has an adjustment been made?

Mr. RHODES:

1. W. W. Smith.
2. September 1, 1934.
3. Remuneration, $150 a month.
4. The judicial district of Swift Current.
5. $750.
6. 400 farmers have been interviewed by the official receiver; 16 proposals have actually been filed and many others are in process of being filed—correspondence being carried on in respect thereof. Three assignments have been made.
7. Thirteen adjustments have been made, one as the result of a formal meeting and the others independently, with reduction in debt load of $52,000.

SWIFT CURRENT, SASK.—PUBLIC BUILDING

Mr. BOTHWELL:

1. What was the total cost of painting and other repairs to the public building at Swift Current during the year 1935?
2. Was the work done by contract or days work?
3. If by contract, who was the contractor?
4. If by days work, who was the supervisor and what rate of wages was paid to the men employed on the work?

Mr. STEWART (Leeds):

1. $910 (1934-1935).
2. No work done by day labour—local tenders called for painting and general repairs.
3. Bert Allen, painting and general repairs.. .. ..$ 624 00
W. J. Burden, fencing.. .. .. 123 25
W. J. Burden, relaying cement walks.. .. .. 60 00
W. Ashly, work on grounds.. 47 00
J. Alexander, repairs to plumbing and heating.. .. .. 40 25
W. J. Burden, repairs to locks.. 15 50
4. Work done under supervision of district resident architect and caretaker of the building.

EMPLOYMENT OF LABOURERS

Mr. CHEVRIER:

1. Has the government any control over the employment of labourers for the construction of the departmental buildings on Wellington street, Ottawa?
2. If so, to whom must one seeking employment thereat apply in order to secure such employment?

Mr. STEWART (Leeds):

1. No; Employment under control of the contractor for the building, U. Boileau Limited.
2. Answered by No. 1.

OLD AGE PENSIONS ACT

Mr. COOTE:

1. How many persons were receiving pensions under the Old Age Pensions Act on March 31, 1934?
2. What was the total amount paid to pensioners under this act in the year 1933-1934?

Mr. GORDON:

1. 86,873.
2. $16,566,116.74.

GOVERNMENT ANNUITIES BRANCH—VANCOUVER, B.C.

Mr. MACKENZIE (Vancouver):

1. Who is the representative in the city of Vancouver, of the Government Annuities Branch?
2. On what basis is he paid?
3. What remuneration did he draw in 1934?

Mr. GORDON:

1. D. McL. Anderson.
2. Commission.
3. $9,460.86.

FARMERS' CREDITORS ARRANGEMENT ACT—THREE RIVERS

Mr. BARIBEAU:

1. Of what counties is the judicial district of Three Rivers composed?
2. How many farmers residing in this district have availed themselves of the Farmers' Creditors Arrangement Act, since it was put into force?
3. How many cases have been settled to date?

Mr. RHODES:

1. Champlain, St. Maurice and Maskinongé.
2. To January 31, 1935—125.
3. Four voluntary settlements completed, a number incomplete. 16 cases heard by the Board of Review.

CAP DE LA MADELEINE, QUE., VIADUCT

Mr. BARIBEAU:

1. Did the government of the province of Quebec request the federal government to share

in the cost of the construction of a viaduct in the city of Cap-de-la-Madeleine, Champlain county?

2. If so, have the said works been approved by the Department of Public Works?

3. Are such works being carried on at the present time?

4. If not, what is the reason for the delay?

Mr. GORDON:

1, 2, 3 and 4.

Under the agreement entered into between the dominion and the province of Quebec under the provisions of The Relief Act, 1933, the province submitted for dominion approval the following proposed works bearing schedule No. 457 which schedule was in due course approved.

Schedule No. 457

Champlain county, highway No. 19, Cap-de-la-Madeleine. Construction of a concrete viaduct over the C.P.R. track. To remedy unemployment at Cap-de-la-Madeleine.

Total estimated cost, $35,000.

Total estimated labour cost, $24,000.

Man-days work provided by project, $15,000.

Basis of contribution, 50 cents per man-day.

Dominion proportion, $7,500.

The date set for the completion of the above project was March 31, 1934, that being the date on which The Relief Act, 1933, expired. As no accounts have been received from the province with respect to schedule No. 457, it is not known whether work was proceeded with or not.

BERET IMPORTS

Mr. BARIBEAU:

1. How many berets (in number of dozens and value) were imported into Canada during the months of September, October, November and December, 1934; and January, 1935?

2. What is the number of berets now in bond?

Mr. CAHAN:

1. Statistical records do not segregate imports of berets and information is not available from trade returns.

2. This information not available in department, details of goods in bond at ports not available until invoice produced, entry passed and examination made.

AMQUI, QUE.—POST OFFICE

Mr. BRASSET:

1. Have tenders been called for the construction of a post office at Amqui, Matane county?

2. Has the contract been awarded?

3. What are the names of the tenderers, and the amount of each tender?

4. If the contract has been awarded, what is the name of the party who secured it and for what amount?

5. What was the lowest tender and the name of the tenderer?

Mr. STEWART (Leeds):

1. Yes.

2. Yes.

3. Santo F. Walters.. .. .. .. $11,622.02
J. E. Verrault.. .. .. 13,458 00
F. Pelletier & R. Fournier.. 14,000 00
Dumont & Damours Enrg.. 15,505 57
Laurent Giroux.. .. .. 16,562 00
Ernest Dionne.. .. .. 16,785 00
Stewart Construction Co., Ltd. 16,856 00
La Perrelle Lumber Co., Ltd. 17,185 70

4. (a) Santo F. Walters. (b) $11,622.02.

5. (a) $11,622.02. (b) Santo F. Walters.

FARMERS' CREDITORS ARRANGEMENT ACT

Mr. POULIOT:

1. Was Mr. Albert Rioux, of Montreal, appointed to some office pursuant to the Farmers' Creditors Arrangement Act?

2. If so, what is the position, when was he appointed, and what is his salary?

3. Are his travelling expenses included in his salary?

4. Is he called upon to devote all his time to the duties of this position?

5. Is he allowed by the government to write in the newspapers, under his signature or a pseudonym?

6. Is he under the direct jurisdiction of the minister or of the civil service commission?

7. In the first instance, under which minister's jurisdiction does he come, and is he acting, under the dispositions of the act, pursuant to instructions given to him from time to time by such minister?

Mr. RHODES:

1. Yes.

2. Representative of debtors on the board of review for the province of Quebec; $25 a day while engaged on the work. Appointed December 8, 1934.

3. No.

4. No.

5. The government has no knowledge of any such writings.

6. Appointment was made by the governor in council. The act is administered by the Department of Finance.

7. Under the Minister of Finance, acting pursuant to the provisions of the act and regulations made thereunder.

CANADIAN NATIONAL RAILWAYS—J. E. LAFORCE

Mr. POULIOT:

1. Is Mr. J. E. Laforce, of Montreal, an employee of the Canadian National Railways?

2. If so, what is his position and salary?

Mr. MANION:

1. Yes.

2. General agent for the province of Quebec in the Colonization Department of Canadian National Railways.

The Canadian National management consider question of salary to be a detail of railway operation and not a matter of public interest.

INTERNATIONAL LABOUR CONFERENCE DELEGATES

Mr. LAPOINTE:

Who have been the government delegates, the employers delegate and the employees delegate at the meetings of the International labour conference in 1930, 1931, 1932, 1933, and 1934?

Mr. GORDON:

Year	Session	Government delegates	Employers' delegate	Employees' delegate
1930	Fourteenth	Gerald H. Brown Dr. W. A. Riddell	Major J. R. Roaf	Mr. Tom Moore
1931	Fifteenth	Hon. G. Howard Ferguson Dr. W. A. Riddell	Mr. H. W. Macdonnell	Mr. P. M. Draper
1932	Sixteenth	Hon. Senator G. D. Robertson Dr. W. A. Riddell	Mr. Melville P. White	Mr. Tom Moore
1933	Special session (Tripartite preparatory conference on the reduction of working hours as a means of relieving unemployment	Dr. W. A. Riddell	Mr. A. R. Goldie	Mr. R. J. Tallon
1933	Seventeenth	Dr. W. A. Riddell Mr. P. E. Renaud	Mr. A. R. Goldie	Mr. James Simpson
1934	Eighteenth	Dr. W. A. Riddell Mr. P. E. Renaud	Mr. W. D. Black	Mr. Tom Moore

TREATY OF VERSAILLES—CONTRACTING PARTIES

Mr. POULIOT:

1. Has Canada prohibited imports from certain countries that were not among the contracting parties to the Treaty of Versailles?

2. If so, what are those countries, at what date was an order in council passed to that effect, and for what reason?

Mr. CAHAN:

1. Yes.

2. Russia, order in council (P.C. 463) dated 27th February, 1931, as amended by order in council (P.C. 3029) dated the 10th December, 1931—To prohibit the direct or indirect importation into Canada of coal, wood-pulp, pulpwood, lumber and timber of all kinds, asbestos and furs, in the public interest, having regard to the documentary and other evidence that has been received by the various Departments of the Public Service in Canada.

HILLSDALE, N.S., POST OFFICE

Mr. DUFF:

1. Was the Hillsdale post office, Inverness county, Nova Scotia, closed last year and if so, why?

2. If so, for what reason, and who was postmaster at the time said post office was closed?

3. Was the said post office reopened in 1934?

4. If so, for what reason was said post office reopened and who was appointed postmaster?

5. Was a triweekly mail service established from Judique north post office to Lower Hillsdale, via Judique interval?

6. If so, on whose recommendation was such service inaugurated, and what is the name and salary of the mail carrier?

Mr. SAUVE:

1. Yes—31st of July, 1934.

2. (a) On account of its proximity to Lower Hillsdale (1½ miles) and of the reopening of Judique-Intervale Post Office;

(b) Mrs. Jessie McEachern.

3. No.

4. See answer to No. 3.

5. Yes.

6. Mr. I. D. MacDougall, M.P., Angus A. McDougall; $121.66 per annum.

JUDIQUE INTERVAL, N.S. POST OFFICE

Mr. DUFF:

1. Was the post office at Judique interval closed about two years ago?

2. If so, who was postmaster at the time said post office was closed?

3. Was the said post office reopened in 1934?

4. If so, for what reason was said post office reopened and who was appointed postmaster?

Mr. SAUVE:

1. Yes—29th of February, 1932.

2. Miss Annie MacDougall.

3. Yes—1st of August, 1934.

4. (a) To give improved public service.

(b) Miss Annie MacDougall.

SALES TAX COLLECTIONS

Mr. SPENCER:

1. What was the amount of sales tax collected in each of the years from 1930 to 1934, inclusive?

2. What was the amount of sales tax collected in each of the years from 1926 to 1929, inclusive?

Mr. CAHAN:

1.

Year	Domestic	Importations
1929-30	$34,936,375 98	$ 9,922,325 22
1930-31	16,586,975 30	4,196,968 85
1931-32	34,557,787 87	7,834,822 44
1932-33	49,275,962 46	8,701,609 35
1933-34	54,244,031 52	8,979,576 38

2.

Year	Domestic	Importations
1925-26	57,253,867 25	$16,771,226 06
1926-27	63,940,130 18	18,365,540 42
1927-28	55,379,084 49	16,721,159 63
1928-29	49,151,635 51	14,495,035 71

SOREL, QUE., SHIPYARDS

Mr. LAFLECHE:

1. What is the name of the superintendent of the shipyards at Sorel, Quebec?
2. What salary does he receive?
3. On what date was he appointed?
4. What was the name of his predecessor?
5. What was his salary?
6. How long did he hold the position?

Mr. DURANLEAU:

1. Mr. David Ballantyne Carswell is acting superintendent of the shipyard.

2. $5,000 per annum, less 10 per cent salary deduction.

3. He assumed duty 30th October, 1933.

4. Frederick Bridges.

5. $4,500 per annum, less 10 per cent salary deduction.

6. From 1st February, 1929, to 1st March, 1934.

LETTER CARRIER SERVICE

Mr. FERLAND:

1. What cities or communities were given a letter carrier service for house to house mail delivery since 1930?

2. What is the population of each such city or community, and what postal revenue was derived from each of them during the last fiscal year?

Mr. SAUVE:

1. Yorkton, Sask.
Sudbury, Ontario.
Granby, P.Q.
Orillia, Ontario.

2.

City	Population Census (1931)	Revenue Fiscal year ended 31st March, 1934	Date Letter Carrier Delivery Service inaugurated
Yorkton..	5,027	$35,047 39	4th June, 1930
Sudbury..	18,518	68,262 35	11th June, 1930
Granby..	10,496	29,254 00	13th Nov., 1930
Orillia..	8,183	40,926 81	12th Nov., 1930

OLD AGE PENSIONS ACT CONTRIBUTIONS

Mr. FERLAND:

1. Since the passing of the Old Age Pensions' Act, what has been the total contribution of the federal government with respect to each province, not including Quebec and New Brunswick?

2. What was the total contribution of each such province?

Mr. GORDON:

* Statement as at December 31, 1934

	(1)	(2)
Alberta..	$ 3,581,406 52	$ 1,678,368 75
British Columbia	6,071,793 14	3,397,760 56
Manitoba	6,559,037 81	3,485,112 54
Nova Scotia. ..	1,154,148 81	384,716 28
Ontario.	30,061,336 10	15,302,285 85
Prince Edward Island..	168,886 04	56,295 35
Saskatchewan. .	6,020,614 45	3,174,685 80
N.W.T.	7,774 58†	

* Commencing on November 1, 1931, the federal government's share of expenditure was increased from 50 to 75 per cent of old age pension payments.

† The total amount of pensions paid in the northwest territories is assumed by the federal government.

MIGRATION TO UNITED STATES

Mr. MacLEAN:

1. How many Canadians migrated to the United States during the years 1931 to 1934, inclusive, showing each year separately?
2. How many Canadians came back to take up residence in Canada during this period, showing each year separately?

Mr. GORDON:

1. There is no information available showing emigration from Canada either to the United States or elsewhere. To record emigration across the International boundary would involve the employment of many additional officers.

2.

Fiscal year

1930-31..	30,209
1931-32..	19,411
1932-33..	17,625
1933-34..	9,172
April to December, 1934.. ..	6,050

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAIN SHIPPED THROUGH UNITED STATES PORTS

Mr. BRADETTE:

How many bushels of wheat and other varieties of grain exported from Canada, were shipped from the different United States ports during the years 1929, 1930, 1931, 1932, 1933, and 1934 inclusive?

RELIEF CAMP DOCTORS—BRITISH COLUMBIA

Mr. REID:

1. How many medical doctors have been engaged in British Columbia under the Department of Labour and the Department of National Defence in connection with examinations of men in unemployment relief camps?
2. What are their names and where do they reside?
3. How many examinations have been made and what numbers are examined daily by each of the said doctors?
4. What amount is allowed for each one examined, and what was the total amount paid each doctor during the calendar years 1932 to 1934?

STEAM RAILWAY EMPLOYEES

Mr. COOTE:

1. What was the number of employees on steam railways in Canada in each year from 1913 to 1934, inclusive?
2. What was the total amount of wages paid in each of these years?
3. What was the total amount of salaries paid in each of these years?
4. What was the total amount of interest paid by railway companies in each of these years?

Mr. MANION: I would suggest that this question stand as an order for return, with the understanding that we will table all the information received from the railways.

Mr. SPEAKER: Stands as an order for return.

TRANSLATORS

Mr. CHEVRIER:

1. What are the names, and the respective departments or branches, of all the translators transferred to the bureau for translation?
2. What are the names, and the respective departments or branches of all the translators who, to date, have not been so transferred?
3. For what reasons have these latter not been absorbed by the central bureau?

REGISTRATION OF VOTERS

Mr. FERLAND:

1. What was the number of electors registered on the federal lists in each of the counties of the province of Quebec in 1926?
2. What was the population of each county in the province of Quebec in 1926, according to the previous census?
3. What is the number of electors presently registered on the federal lists in each of the counties of the provinces of Quebec and Ontario?
4. What is the population of each of the counties of the provinces of Quebec and Ontario, according to the census of 1931?

Mr. CAHAN: I should like the question to stand as an order for return. Such information as is available will be given in compliance with it. I do not know whether or not we have the list for 1926, but if we have the full information will be given. Meantime I should like it to stand as an order for return.

Mr. SPEAKER: Stands as an order for return.

BUTTER PRODUCTION

Mr. BARIBEAU:

1. What quantity of butter was manufactured in each province of the dominion during the years 1933 and 1934?
2. What grades of butter were manufactured in each province during 1933 and 1934?
3. What quantity of cheese was manufactured in each province of the dominion during the years 1933 and 1934?
4. What grades of cheese were manufactured in each province during 1933 and 1934?

GRANTS TO YUKON

Mr. HANBURY:

1. What amount has been granted to the Yukon every year from 1920 to 1935?
2. What amount of special allowance was made each year separately to the members of the Royal North West Mounted Police, or Royal Canadian Mounted Police, in the Yukon, from 1920 to 1935?

HOPE, B.C., AIRPORT, PROJECT 26

Mr. MACKENZIE (Vancouver):

1. How many acres are being used at project 26, Hope airport?
2. How much per acre was paid for this land, and to whom?
3. What was the total amount expended by the Department of National Defence on project 26, Hope airport to the end of January, 1935?
4. How many men are there in camp at project 26, Hope airport?
5. How many acres have been cleared at project 26, Hope airport?

HOPE PRINCETON ROAD—CAMP BUILDINGS

Mr. MACKENZIE (Vancouver):

1. What was the total expended by the Department of National Defence on camp buildings 210, 211, 212, 213, project 55, Hope Princeton road?
2. Were sealed tenders called for the lumber for these camps?
3. If tenders were called for, who were the tenderers, and what was the exact amount of each tender?
4. If the work was not done under tender or contract, what are the names of those supplying the lumber, and the prices charged for same?
5. What was the total amount expended by the Department of National Defence on project No. 55, Hope Princeton road, to the end of January, 1935?

WORKING HOURS OF TRANSLATORS

Mr. BOUCHARD:

1. Since the opening of the present session, what are the working hours of the translators engaged in the translation of the House of Commons, debates?
2. Are the translators engaged in night work allowed any special remuneration or extra pay for night work?
3. Are the foremen, typographers, printers, mechanics or skilled labourers in the Dominion printing bureau allowed any extra pay or special salary when engaged in night work?
4. If so, what is the rate of such extra pay or additional remuneration for night work?

[Mr. Speaker.]

PRINTING BUREAU MACHINERY

Mr. BOUCHARD:

What expenditures have been incurred or amounts paid for new machinery purchased by or for the dominion printing bureau since prorogation of the last session of parliament?

IMPORTATIONS OF FOREIGN COAL

Mr. MacLEAN:

1. What was the total amount of foreign coal imported into Canada during the years 1931 to 1934, inclusive, showing each year separately?
2. What was the amount of unfavourable and favourable trade balance between Canada and the United States for the years 1931 to 1934, inclusive, showing each year separately?
3. Was any embargo placed against the exportation of any of our raw, natural products from Canada during the years 1931 to 1934, inclusive; if so, specify for each year separately?

MOTIONS FOR PAPERS

STE. ADELAIDE DE PABOS, QUE., BREAKWATER

Mr. BRASSET:

For a copy of all paylists, accounts for materials, iron, stone, etc., in conection with the work done by the Department of Public Works on the breakwaters at Sainte Adelaide de Pabos, during the year 1934-1935.

STE. ANNE DE BEAUPRÉ, QUE., WHARF

Mr. POWER (for Mr. Casgrain):

For a copy of all letters, telegrams, correspondence and other documents, exchanged between the federal government or any of the ministers of the crown and any other person or persons in connection with requests for grants to repair the government wharf at Sainte Anne de Beaupré; also, copy of all lists of salaries or remunerations paid to those engaged in the supervising of the above works, from the 1st of January, 1934, to date.

LAKE SAINT-PIERRE SOUNDINGS

Mr. CHEVRIER (for Mr. Boucher):

For a statement showing the names, addresses, and salaries, of all persons employed in connection with the soundings made by the Department of Marine in lake Saint-Pierre, during the present winter; also, a copy of all telegrams, letters and correspondence, passed between the Minister of Marine, his department, A. K. Laing, and any other person or persons, concerning the appointment of the above persons.

SAINT-FRANÇOIS DU LAC, QUE., POST OFFICE

Mr. CHEVRIER (for Mr. Boucher):

For a copy of all documents, correspondence, complaints, petitions, reports and other papers, in the hands of the Post Office Department, since July 30, 1930, concerning the post office at Saint-François du Lac and the postmistress thereof.

CHARLEVOIX-SAGUENAY PUBLIC WORKS

On the motion of Mr. CASGRAIN:

For a copy of all paylists and accounts for materials in connection with work done by the department of Public Works in the county of Charlevoix-Saguenay, during the years 1933 and 1934.

Mr. STEWART (Leeds): I would suggest that this motion stand until the hon. member is here, because I have had some discussion with him about it.

Mr. SPEAKER: Stands.

UNEMPLOYMENT RELIEF LEGISLATION—GUARANTEES

Mr. MACKENZIE (Vancouver):

For a return showing in respect of guarantees given by the government under unemployment relief legislation: (a) nature of the guarantee; (b) name of bank receiving guarantee; (c) number of order in council governing each case; (d) amount of guarantee in each case; (e) amount, if any, by which guarantee reduced in each case.

UNEMPLOYMENT RELIEF DISBURSEMENTS

Mr. MACKENZIE (Vancouver):

For a return showing dominion disbursements under unemployment relief administration since August 7, 1930, for the years 1930, 1931, 1932, 1933, 1934 up to January, 1935, inclusive, and showing in each case to whom such disbursements were paid.

Sir GEORGE PERLEY: Mr. Speaker, part of this motion is quite in order, but I would suggest to the hon. member that the request contained in the last expression "and showing in each case to whom such disbursements were paid" is almost impossible to fulfil. The expression to which I have referred involves three departments, namely the Department of Labour, the Department of National Defence and the Department of the Interior. To give the particulars in each case would involve over a million documents. I would suggest that the motion would be satisfactory if the hon. member would stop after the word "inclusive."

Mr. MACKENZIE (Vancouver): That is satisfactory.

Mr. SPEAKER: Motion as amended agreed to.

UNEMPLOYMENT RELIEF STATISTICS

Mr. MACKENZIE (Vancouver):

For a return showing the number on direct relief in Canada by months 1934-1935 under the following headings: (a) number of heads of families; (b) number of dependents on heads of families; (c) individual relief cases only.

Sir GEORGE PERLEY: In part (c) does the hon. member refer to the number of individual relief cases?

Mr. MACKENZIE (Vancouver): A similar return was made two years ago.

Sir GEORGE PERLEY: But not the individual cases.

Mr. MACKENZIE (Vancouver): The number.

Sir GEORGE PERLEY: I would suggest that part (c) be changed to read "the number of individual relief cases only."

Mr. MACKENZIE (Vancouver): Satisfactory.

Mr. SPEAKER: Motion as amended agreed to.

ST. ROMUALD, QUE., PROTECTION WALL—SUPPLIES

Mr. POWER.

For a return showing: 1. The names of all persons who furnished supplies or services in connection with the construction of a cement protection wall at St. Romuald, county of Levis, Quebec.

2. The amounts paid to each such person.

ST. ROMUALD PROTECTION WALL—PAY LISTS

Mr. POWER:

For a copy of all paylists in connection with the construction of a cement protection wall at St. Romuald, county of Levis, Quebec, from August, 1934, to date.

Sir GEORGE PERLEY: I submit, Mr. Speaker, it has not been customary to bring down some of the information asked in this motion. For instance, there is correspondence within the department among department officials.

As the Minister of Trade and Commerce is not here to-day I would suggest that the motion stand, and that the hon. member might consider if he could not reword it in order to comply with the custom of the house not to bring down correspondence or papers between officials of a department and the minister.

Motion stands.

CUSTOMS TARIFFS CHANGES

Mr. B. M. STITT (Nelson) moved:

For a return showing all increases in the customs tariffs (British preferential, intermediate and general) passed by the parliament of Canada between April 1, 1922, and July 1, 1930, statement to show former rates as well as increases; also dates when changes were made.

Mr. CAHAN: Mr. Speaker, I will call the attention of the mover of this resolution to the fact that there are over one thousand items in the tariff and that to compile a list of changes in the several items during a period of eight or nine years would require many weeks of labour. I would suggest that the hon. member withdraw this motion, and if

there are changes in the duties on particular commodities or in particular items of the tariff which he desires to consider, we will furnish him with as complete a statement as possible with regard to those items or those special commodities, but if the motion were to go through in this form it would be very difficult to comply with it, and it would require a long time to make up the complete list.

Mr. STITT (Nelson): If I heard the minister correctly he stated that it would take several weeks to assemble these increases in the tariff that were made by the Liberals when they were in power.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: You did not catch his point.

Mr. SPEAKER: The motion is not subject to debate.

Mr. STITT (Nelson): I am quite willing, Mr. Speaker, to revise this motion. Some of the statements that have been made by the Liberals have been misleading.

Motion withdrawn.

LEAGUE OF NATIONS

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, whereas we have seen in the press of to-day that Paraguay has withdrawn from the League of Nations, and whereas the acting leader of the government has particular knowledge of South America, may I ask him what stand has been taken by the government in the matter?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): In reply to the hon. gentleman I would say that I have never been in Paraguay, but I accept his question as a notice and will have the matter looked into.

SALE OF BUTTER

On the orders of the day:

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of Agriculture (Mr. Weir) a question? I have not given him the usual courtesy notice, but I am sure his attention must have been drawn to the front page prominently displayed heading in this morning's Journal which reads thus: "150,000 pounds of adulterated butter are sold daily in Montreal, is the claim." As this is a very serious and illegal practice we shall be glad to hear anything the minister has to say regarding whether the report is true or not. I hope that he will be able to deny it.

Hon. ROBERT WEIR (Minister of Agriculture): As the hon. member suggests, when I saw the item in the press this morning I made inquiry, and the information given me in this connection was that tests were made of 1,396 samples of butter taken in Quebec in 1934, and out of this number there was only one case in which adulterated butter fat was found, and a conviction was obtained in that case.

Mr. MOTHERWELL: Then this report would seem to be practically unwarranted.

CANADIAN NATIONAL RAILWAYS

REPRESENTATIONS OF EMPLOYEES RESPECTING CONSTRUCTION OF EQUIPMENT

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I have a question to direct to the Minister of Railways. On January 21 and 22 last I asked the minister if he or the government had come to any decision in regard to the construction of new equipment for the Canadian National Railways, and whether it would be constructed in the Canadian National Railway shops by Canadian National Railway employees, or by private concerns. On both occasions the minister replied that no decision had been arrived at. Will he be good enough to tell me if he has yet come to any decision on the matter?

Hon. R. J. MANION (Minister of Railways and Canals): The matter, Mr. Speaker, has not been further considered.

REPORT OF GEORGE A. TOUCHE AND COMPANY

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Can the Minister of Railways inform me to what members of the committee copies of the supplementary report of Touche and Company have been sent?

Hon. R. J. MANION (Minister of Railways): Before the hon. gentleman came in I made a short statement. However, I will briefly explain the matter again. I think it was on Friday that we received, at our request, a number of copies of this report from Touche and Company. They were not sufficient to go round, but on Saturday I instructed my department to distribute them to the members, and some have already been distributed. They have been distributed alphabetically, and as the hon. gentleman's

name is high up on the list he should be among those who have received copies. His copy may be in his box. Some were distributed on Saturday and some to-day, and we are getting others copied from the ones we have kept so that we shall complete the list and distribute them to the members of the committee. The hon. member for Vancouver-Burrard (Mr. Hanbury) mentioned that the press had obtained the report. Some members of the committee had it and I presume one of them allowed the press to see it, but after all there was nothing secret about it. The report does not contain anything except an elaboration of their previous report, and as I say, members of the committee will have copies as soon as we have them prepared.

SOLDIER SETTLEMENT BOARD

On the orders of the day:

Mr. H. E. SPENCER (Battle River): I notice that there are 5,783 civilian purchasers of soldier settlement board land, and also 2,077 of these farms are being taken up by British family settlers. Can those farmers who have taken up deserted land under the soldier settlement board take advantage of the benefits of the Farmers' Creditors Arrangement Act and thereby start with a new contract?

Hon. W. A. GORDON (Minister of Immigration and Colonization): I have not the statute before me, but my view is that all settlers operating farms under a contract with the director of soldier settlement may apply for the benefits of the Farmers' Creditors Arrangement Act.

MARKETING OF POTATOES

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): The Minister of Agriculture was kind enough to send me a copy of the regulations relating to the marketing of potatoes in the eastern markets. I have received numerous requests for copies of these regulations and I understand that they are not printed in any quantity. I wonder if the minister can arrange to have them printed for distribution.

Hon. ROBERT WEIR (Minister of Agriculture): I shall be glad to look into the question and advise the hon. gentleman.

LIQUIDATION OF MERCANTILE DEBTS

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Finance. Under the Farmers' Creditors Arrangement Act, 1934, and amendment thereto, now before parliament, farmers are provided, for the adjustment of their obligations, with a provincial board of review. The retailers of the country, whose debts run into millions, have no such machinery provided for their financial protection. May I ask the minister whether the government has given any consideration to providing adequate debt adjusting machinery to help the several independent retailers of the nation.

Hon. E. N. RHODES (Minister of Finance): That is a rather comprehensive question to be submitted without notice. It will require an answer involving major policy. The question will be considered and an announcement made as and when a decision is arrived at.

ALGERNON LIGHTHOUSE

On the orders of the day:

Mr. J. FERDINAND FAFARD (L'Islet) (Translation): Mr. Speaker, may I ask the Minister of Marine (Mr. Duranleau) whether he has been informed that the lighthouse at St. Roch Crossing, situated at the most dangerous point of the St. Lawrence river, has recently been carried away by the ice? If so, does the minister intend taking immediate steps for its reconstruction and will the work be done by day-labour or by contract?

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): I have not been officially informed that this lighthouse has been carried away by the ice; I learned the fact indirectly and have requested the officers of my department to investigate and report.

CITY OF OTTAWA AGREEMENT

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

That it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1934.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

Mr. STEWART (Leeds): The object of this resolution is to authorize the continuance of an agreement between the Dominion of Canada and the city of Ottawa for a further period of one year. The matter has been before the house on other occasions during the

last three or four years, and it simply continues the existing agreement under which $100,000 is paid for water supplied by the city of Ottawa for fire protection in connection with the parliament buildings. The water which is supplied to the buildings used as offices is paid for on a meter basis, and the agreement also contains certain provisions with respect to the maintenance of streets, pavements and bridges. This continues the existing arrangement for another year.

Mr. ELLIOTT: How long has the present agreement been in force?

Mr. STEWART (Leeds): The agreement was made in 1924 for one year, to July, 1925, and then it was extended for five years from July, 1925, to 1930, and the amount was increased from $75,000 to $100,000 per annum. It has been extended annually since that time on the basis of $100,000 per annum.

Mr. ELLIOTT: Has there been any change either in the amount or in the terms since 1930?

Mr. STEWART (Leeds): No.

Mr. AHEARN: Were any representations made this year by the mayor or the city officials with regard to increasing the grant?

Mr. STEWART (Leeds): I do not think any representations have been made in connection with an increase in the amount desired for this service. There were representations in connection with other matters in which the city of Ottawa is interested but which are outside the scope of this agreement entirely. There was some suggestion that the amount paid was not all it should be, but it never took the form of any definite negotiations.

Mr. AHEARN: I take it from what the minister says that it was never pointed out that, while the government property cannot be taxed, nevertheless the total assessment has been made by the assessment commissioner of Ottawa. Can the minister tell us what that amounts to?

Mr. STEWART (Leeds): I have not that information before me. The property of course is by statute exempt from taxation. I believe they do carry on their assessment rolls a valuation, but the procedure is an innocuous one, because there is no power to assess.

Mr. AHEARN: I know. I will be glad to tell the minister what the amount of assessment is on the rolls. I admit the property cannot be taxed, but nevertheless the assessment commissioner of Ottawa each year places the assessment on the rolls. The value is $40,907,484. If this were taxed at the general public school rate of city taxation, the tax would amount to $1,505,394.41 per annum. I got that information from the city officials. I merely want to point out to the minister that we are not over-generous to the city of Ottawa and that the grant is pretty low.

Mr. STEWART (Leeds): This is rather a big subject, and as I have said, it is outside the scope of this agreement. I would like to ask my hon. friend whether the total assessment of $40,000,000 includes all the buildings that are occupied by the government and for which they pay rent.

Mr. AHEARN: I understand this is on government owned property in the city of Ottawa. I may be mistaken, but that was my information.

Mr. STEWART (Leeds): Of course, as my hon. friend knows, in respect of buildings which the government rents—and there is a large number of them and the rental paid is very large—they are not exempt from taxation; we pay taxes either in rental or specifically.

Mr. CHEVRIER: Does the minister think this represents a very fair bargain on the part of the government for what the city does?

Mr. STEWART (Leeds): It is an agreement made some years ago. As I have pointed out, for all the offices where water is supplied we pay on meter the regular city rate. This is only for water for fire protection and for the parks. Whether it be fair or not is a very big question and it cannot be determined exactly by itself, because it is linked up with other matters such as grants to the federal district commission and other features that are taken into consideration. I would not like to say whether the amount is too much or too little, but I think it is fairly reasonable. It is based on an agreement anyway and shows an increase of $25,000 per annum over the amount that was agreed upon previously. I think it is fairly reasonable, but all these matters are, as I say, more or less connected and will have to be considered together.

Mr. CHEVRIER: Has the city of Ottawa expressed its approval of this proposition?

Mr. STEWART (Leeds): The city of Ottawa would perhaps like to get a larger amount, but unless a bill founded on this resolution is passed there will not be any authority for paying any amount.

Mr. HEAPS: Could the minister state how the amount of $100,000 was arrived at?

Mr. STEWART (Leeds): By negotiation and agreement between the city and the government. As I said, prior to 1925 the amount was $75,000 and it was then increased to $100,000, the amount that has been paid since.

Mr. HEAPS: The mere recital of figures does not convey very much meaning to me. I would like to know what value the government obtains in return for this expenditure of $100,000 per annum.

Mr. STEWART (Leeds): We get water for fire protection and for services in the parks.

Mr. HEAPS: What is actually the amount of water used in the parks?

Mr. STEWART (Leeds): There is no meter, I believe, for that. The meter is on the buildings and offices, but I do not think there is any meter on the quantity that goes this other way.

Mr. HEAPS: I would have preferred it had the minister given to the committee some method by which the amount of $100,000 could be computed, so that we could vote on the matter more intelligently. I do not know whether the amount is too large or too small. Naturally I can understand hon. members representing Ottawa constituencies trying to obtain from the government as good a measure of support for the city as they possibly can; on the other hand, those who do not come from Ottawa would like to have some idea of the equity of the amount arrived at as between the city and the central authority. At the present time, while I certainly cannot object to the amount, neither can I approve it because in what the minister has said there is nothing to give me an intelligent idea as to how to vote on this particular question.

Mr. STEWART (Leeds): I am sorry I cannot give the hon. member the information because the agreement was negotiated before I had anything to do with this matter. All I can say is that it is the result of negotiation embodied in an agreement. It must have been considered fair at the time the agreement was made.

Mr. HEAPS: On the face of it, it seems a rather large sum of money to pay for the services rendered. I may be wrong in my understanding of the matter and as I say, I would be able to understand the matter better if we had the agreement before the committee; we would then know a little more about the matter than we do at present.

Mr. MITCHELL: Do I understand from the minister that the government pays $100,000 a year merely for watering the lawn in front of the parliament buildings?

Mr. STEWART (Leeds): No, that is for fire protection and parks all through the city. The park system is under the control of the federal district commission; it is rather extensive.

Mr. HEAPS: We have heard the Ottawa representatives complaining about the amount. There are civic parks in all parts of the dominion and the local authorities are compelled to pay for their own water. Evidently the federal authorities are providing Ottawa with parks at federal expense and in addition we have to provide and pay for the water which we use in the beautification of those parks for the benefit of the people of this city. We have, I suppose, other similar expenditures to consider and I certainly would like to have if possible a little more information from the minister in regard to the equity of this agreement.

Mr. STEWART (Leeds): I think the treatment of the city is fairly generous. I do not know how the members representing the city of Ottawa will take that remark, but when all that is being done by the government in every direction, of which this is only a very small item, is considered, I think after all the city is receiving fair and generous treatment from the government.

Mr. HEAPS: Would the minister be prepared to do for other cities what it is doing for Ottawa?

Mr. STEWART (Leeds): I believe we would be prepared to do the same for any other city in which the capital might be located.

Mr. ARTHURS: I understood the minister to say that this agreement included some other services. I would like to speak of the lighting system on Wellington street in front of this building. During this winter I have seen a couple of narrow escapes from accidents; owing to the green light being of short duration, people coming north toward this building or departing from it find it impossible in many cases for one proceeding at an ordinary pace to cross the street while the light is green. Some change should be made in order to make that period somewhat longer.

Mr. STEWART (Leeds): That is a matter which, I understand, is under the control of the city which regulates the traffic on the streets and the signals. I shall see if anything can be done about the matter.

Resolution reported, read the second time and concurred in. Mr. Stewart (Leeds) thereupon moved for leave to introduce Bill No. 23, to

authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to and bill read the first time.

CANADIAN FARM LOAN ACT

AMENDMENT TO FACILITATE AND INCREASE THE EXTENSION OF CREDIT TO FARMERS

The house resumed from Friday, February 15, consideration in committee of Bill No. 15, to amend the Canadian Farm Loan Act—Mr. Rhodes—Mr. Smith (Cumberland) in the chair.

On the short title.

Mr. POULIOT: This bill is supposed to give the farmers a chance to borrow $90,000,000. They need that money. In fact they need much more than that, because as I pointed out on June 6, 1934, as recorded in Hansard, the value of fourteen farm products in 1932, the year of the imperial conference, was $440,000,000 less than in 1930. Since then the loss has been still greater. It means that since this government came into power the loss to the farmer has been nearly $2,000,000,000 on only fourteen farm products. I see the hon. member for Saskatoon (Mr. MacMillan) laughs.

Mr. MacMILLAN (Saskatoon): I did not.

Mr. POULIOT: It is a most serious matter and it should not be taken with a laugh.

Mr. MACMILLAN (Saskatoon): I was reading the paper, I was not talking to you.

The CHAIRMAN (Mr. Smith, Cumberland): Order, please direct your remarks to the chair.

Mr. POULIOT: My words were not addressed directly to the hon. gentleman, they were addressed to the chair; therefore I am in accord with the rules of procedure in this chamber.

Now, Mr. Chairman, mark you, the loss to the farmers on fourteen farm products only during the five years this government has been in power is $2,000,000,000. Now the government say to the farmers, We will save you by lending you $90,000,000. A nice proportion. This is how they are going to save the farmers. They are proud of their legislation. Some help! Great help, great assistance for those people who in the words of the Prime Minister have shown so much fortitude during these years of stress. Fortitude! They need help; he gives them words. But unfortunately they cannot swallow them as well as the Prime Minister swallows his own words. And it is better for them not to swallow the words that come from the government because they would make them sick. Here we have this legislation to lend $90,000,000 to the farmers. They need money, but would it not be better if the finance minister came to the house with other legislation, to remove the tariff barriers that prevent the farmers from trading with the other countries of the world.

Who will pay for this? Will the farmer be self-sustaining with that legislation? No, sir, because the finance minister answering the hon. member for West Lambton (Mr. Gray) said, The farmer will have to pay that money back to the government. And that surely is a business proposition. But will it put the farmer on his feet? No, sir. Just humbug once more, just bluff. It is just an expedient to get past election time and afterwards the farmer will not be any better off than before. The government comes with legislation to serve as steps to enable the farmer to get over the tariff wall, but there are no steps and no ladder for him to come down, therefore the farmer is in danger of breaking his neck coming down the high tariff wall that has been built by this government. Sir, although it is necessary to come to the rescue of the farmer I find this legislation silly. If the government had been wise enough, the tariff barriers would have been destroyed and the farmer would not have had to get over this wall, he would have been able to pass through. The only blasting that the Prime Minister should do is to blast his own tariff walls, this would be the most sensible thing.

An hon. MEMBER: Will he do it?

Mr. POULIOT: He has not enough kick to do that. This is what he should use the ruthlessness of his iron heel against; he should destroy these tariff walls and blast them with the dynamite and pep of his supporters.

Sir, here we have legislation which means that a man who has a little money left will have to pay more taxes in order to give the farmer a chance. It is all right to give a chance to the farmer, I am for it, but the Minister of Finance, who is one of the ablest men in the government—

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: Who is much abler than his own leader—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: See him smiling.

Mr. POULIOT: The Minister of Finance will understand very well that it would be much more logical, much more sensible, to destroy those tariff barriers which prevent the farmer from trading with the other countries of the world, so that he can sell his products outside of Canada, thereby putting him on his feet at no cost to this country, instead of lending him $90,000,000 and leaving him in trouble. This is what I do not understand. If the members of the government are sincere in saying that they earnestly wish the welfare of the farmer there is only one thing for them to do, that is to repair the wrongs that they themselves have done to the farmer. This is what should be done. They can do that very easily; they have only to cancel the silly legislation which has been forced upon this house by their brute majority. That is the only thing which they have to do, and if it is done this bill will be superfluous. It will not be necessary, except perhaps at the start, while on the other hand the farmer will be able to repay the government. If that is not done, next year whatever government is in office will have to loan the farmers much more money, unless the tariff walls are demolished.

That is the situation. Now I should like to ask a question of the minister who, as I say, is a very sensible man, and who in addition possesses manners, which is something that counts. The farmers of this country have lost two billion dollars on the sale of only fourteen farm products during the five years this government has been in power. My hon. friend cannot challenge those figures, which have been on Hansard since June 6, 1934. I should like to ask the minister how the farmers who have lost so much because of the policies of this government will be made more comfortable by being able to borrow a sum which does not represent even one-half of one per cent of their losses. They have lost two billion dollars; you offer to loan them $90,000,000. That does not amount to even one-half of one per cent on their losses on only fourteen farm products. Far from being exaggerated my figure does not represent the actual loss, since it does not cover everything produced on the farm. The minister knows very well that we do not exaggerate the problems and worries of the farmers, and he knows very well that less than one-half of one per cent of their losses will not give the farmers very great comfort or help. So I should like to ask him if he does not think it proper now to do something more for the farmers, to steal a stick of dynamite from the office of his leader and blast holes in the tariff wall in order to give the farmers a chance to trade with the other countries of the world, thus lessening the responsibilities of the government and the taxpayers of this country and relieving the farmers.

Mr. VALLANCE: It is not my intention to quote any further statistics with regard to the position of the farmer, but many of us in the house are receiving letters from every province in Canada, I believe, from farmers who want to know when it will be possible for them to get some of this $90,000,000. I have only one suggestion to make to the minister, and it is this. Why not give the farmers this money at cost? It is costing the government 3½ per cent, so why not give the farmers the money at cost in view of the fact that the farming industry is not being included under the unemployment insurance measure and in view of the further fact that, as taxpayers, the farmers must contribute a considerable share of the amount the government will be compelled to pay for administration and as their contribution to the fund? It seems to me this is one way by which the government could assist agriculture to a very great extent, and I would ask the minister to take this suggestion into consideration.

Mr. RHODES: I am quite sure my hon. friend from Témiscouata (Mr. Pouliot) would be the last to expect me to reply to his political address, which I take it he was rehearsing here for the purpose of relating to his electors during the peaceful days of spring in the beautiful countryside which he represents. If his address had been in order at all it might have been in order on the second reading of the bill, but I submit to my hon. friend that he has not thrown any great amount of light upon the particular section of the bill now under discussion. At the proper time and in the proper forum I should be delighted to engage in a political discussion with my hon. friend, but I am sure that upon reflection he would be the last to expect me to do so under these circumstances. For the moment I shall content myself with saying that I do not accept his figures, his arguments or his statements, but I do not propose to attempt to controvert them in detail at this moment.

My hon. friend from South Battleford (Mr. Vallance) has raised a large question. I speak very frankly when I say that I believe the government would be doing the farming population of this country a disservice if it offered first mortgage money at 3½ per cent. That

is my own view, and I will give my reasons. It would dry up all sources of private funds, and unless the government was prepared to take the position that it would take over the total mortgage obligation, which to-day exceeds, $600,000,000, it would be a very sad thing for the farmers of the future if they could have resort only to government borrowing, and that to a limited extent. Three and a half per cent is not the cost to the government by any means. The cost of administration takes one full per cent.

Mr. VALLANCE: But I want you to bear that.

Mr. RHODES: Quite so, but that is not money at cost; that is money at less than cost. I stated the other day that it should be the policy of the government to loan money to the farmers at a rate as low as possible consistent with the general well being of the country at large and of the farmer himself. I can see another very grave danger. There would be an inducement to many farmers whom I know personally to have not a dollar of mortgage upon their property to seek to get money at 3½ per cent when they could turn around and loan it in their own neighbourhood at 5½ and 6 per cent. We must look at these things in a practical way, and I believe as much harm as good would be done by loaning money to the farmers at such a low rate. Having said so much let me repeat that I should like to see the farmer get his money at as low a rate as is consistent with the general interest, including his own interest.

On that point let me say that in the United States where, as is well known, they have been very generous with public funds under the land banks which were set up for the purpose of loaning government money to farmers. At the present moment they charge 5½ per cent, with the proviso that for a period until 1938, I think, the money is subject to a lowering of the interest rate by one-half per cent. Under the agreements they pay 5 per cent until 1938 and after that they pay 5½ per cent. Even where the government loans money to cooperative associations of farmers set up in communities, where these farmers in turn guarantee the mortgage of each individual farmer, that money is loaned to the associations at the rate of 5 per cent, and in addition the farmer must make a subscription of 5 per cent to the stock of the association, which means that his interest is increased to the extent that interest would be added to that 5 per cent.

[Mr. Rhodes.]

We have every reason to expect that in Canada we will have money for the farmer at 5 per cent.

Mr. DONNELLY: Could the minister tell us when these land banks were started in the United States?

Mr. RHODES: I believe they were started in 1917, but I am speaking of conditions at the present moment.

Mr. DONNELLY: But they have not changed since they were started?

Mr. RHODES: I could not say as to that; I am speaking of the rate at the present moment. I have a wire here, dated February 5, from the governor of the farm loan bank in the United States, addressed to the Canadian farm loan board, containing the information which I am giving at the moment. I believe it is reasonable to assume there will be five per cent money. That may be too high, but it is a fair subject for discussion. I do submit, however, that three and one-half per cent is entirely too low. It will be found in the light of certain amendments which I shall propose to the bill that in other respects we are lightening the load of the farmer by the legislation now before the house. In every possible way it is our desire to go as far as is reasonable, having regard to the general public interest.

Mr. CARMICHAEL: Mr. Chairman, I believe the intention behind the legislation passed in 1927 was to loan money to farmers so that they would be in a position to carry on their farming operations. I believe, further, that it was the intention to loan money at as low a rate as possible, having regard to the cost of operation. It seems to me that an entirely different situation prevails to-day from that which obtained in 1927. At that time it appeared good business policy to loan money to farmers for purposes of production and for the general extension of farming operations. So far as my personal knowledge of present conditions in Saskatchewan goes, however, it would seem a first class policy not to loan money under prevailing circumstances to any farmers. I speak for the prairie provinces, with which I am more familiar. I make that statement because to-day the farmer cannot pay the interest on loans made to him, nor has he been able to do so for the past three or four years. I do favour the legislation however because I believe we are acting wisely when we attempt to make money available for the farmer who finds himself confronted with a considerable overhead of debt at a high rate of interest.

It seems to me that this money should be earmarked so that it may be loaned to farmers for purposes of first mortgages and perhaps second mortgages, and for the purpose of discharging obligations to the banks or machinery companies.

Mr. VALLANCE: You cannot get it.

Mr. CARMICHAEL: The money should be made available at the lowest possible rate of interest. When the amendments were before the house last year the Prime Minister stated that the margin was being increased from $15,000,000 to $40,000,000 so that this measure might work in conjunction with the Farmers' Creditors Arrangement Act to make money available for the retirement of obligations contracted by farmers, and for the lowering of interest rates. My own opinion is the amount of money available should be increased for those purposes. There are scores —yes, hundreds of farmers on the prairies who would be glad to have facilities for refunding their obligations at a lower rate of interest, and I should like to endorse all that has been said about making the rate as low as possible. I believe the two per cent margin charged for the cost of operation—

Mr. RHODES: One and one-half per cent.

Mr. CARMICHAEL: Well, it seems to me that even one and one-half per cent is one-half per cent higher than it should be. I recall that in 1927 we were given information in committee which showed that the actual cost of operation would be about one per cent. Possibly it would be good business to have one-half of one per cent in excess, but I believe it would be a better procedure to give the benefit of the one-half per cent to the struggling farmer. If the money can be borrowed by the Canadian government at the rate of three and one-half per cent there should be no greater increase than the one per cent to meet the actual cost of operation. If the money were made available for the purposes I have mentioned there would be many grateful farmers throughout the country.

Mr. RHODES: I agree with the hon. member for Kindersley when he states that we should loan the money to the farmers at as low a rate of interest as we can. In making that statement however I should not like to go the distance the hon. member for South Battleford has suggested. It is the intention that cases such as the hon. member has instanced should be cared for by the farm loan board, provided always that the individual farmers commend themselves to the judgment of the board. I stated a few days ago that it must not be assumed a farmer could go to the board simply as a matter of right. However a farmer who is worthy, and in need, may without any difficulty have his situation improved by a loan from the farm loan board. As I stated before each individual case will be considered on its own merits.

Miss MACPHAIL: I should like to urge upon the Minister of Finance the necessity for the government to carry the costs of administration of farm loans. They are carrying the administration costs in connection with the measure for unemployment insurance, they carry the administration costs in connection with old age pensions, and they have to carry the costs in other instances. Under present conditions in agriculture the Farm Loan Act is in the nature of a relief measure set up to relieve the farmer in his difficulties. As the government may know short of a straight bonus difficulty is found in finding ways of helping the farmer directly, and I suggest that we now have before us the means for helping him.

A very great percentage of farmers have some debt. Although not all have mortgages against their property, many would like very much to take out a small mortgage in order to settle irritating debts, grocery bills, doctor bills, twine bills, machinery bills and other bills they may have to meet. There would be no use offering them a loan at five per cent or five and one-half per cent because they would not be able to pay the debt. The legislature of the province of Ontario proposes to pay one per cent, thereby lowering the rate to four and one-half per cent. Even at that rate however agriculture could not pay. To-day we are facing new conditions, conditions we have never met before, and whether we must spend a great amount of money or not I feel that the federal government could best serve agriculture by carrying the administrative costs of the farm loan operations thereby, according to the statement of the Minister of Finance, cutting the interest rates by one and one-half per cent.

It is true, further, that government policies, such as tariff and immigration policies and exchange rates affect farmers' prices. We know that world conditions affect the prices the farmer receives and in many cases the cost of his requirements. I believe it is admitted that government policy in the past has not been of a kind likely to assist the farmer of to-day. I believe it is admitted that the policy of solicited immigration which has obtained, until recently, for the past thirty years or more has not led to any improvement

in the present condition of the farmer. I believe it is admitted, further, that high tariffs have been detrimental to his interests, and that an exchange rate which did not place Canadian money on a par with British money in the first year or so in which this government held office undoubtedly adversely affected farmers' prices. And so all these things being true I feel, though it may seem a radical departure and to the minister may even seem in many ways an unwise step, that it would be much better, to carry the administration costs and thus enable the farmer to pay interest on his loans than it would be to load him with the administration costs as well as four per cent, making 5½ per cent altogether, which he is entirely unable to pay and, as time will prove, will not pay. I am sure that the minister wants the loans repaid and the interest payments kept up, and for that reason I feel that it would be better for the government to assume this responsibility. Indeed why should the government not assume the responsibility for agriculture's load just as much as it assumes responsibility for the administration of these other measures, such as unemployment insurance, which does not affect agriculture at all except adversely, and old age pensions, and so on. If it is true then that other groups of citizens should be served by having the administration costs carried by the federal government I can see no reason at all why the same service should not be given to farmers in this their day of extremity.

Mr. RHODES: Mr. Chairman, my hon. friend from Southeast Grey will I think appreciate that it would be improper for me to be drawn into a discussion which is perennial on the subject as to how far the farmer is prejudiced by the incidence of the tariff. Certainly on this bill, as I said in the case of the matter brought up by the hon. member for Témiscouata, I do not propose to be drawn into a discussion of that question, but upon another occasion that is a different thing.

My hon. friend has put forward the suggestion that the government should carry the whole administrative costs of the Farm Loan Act. That is a fair subject for discussion. I have in mind the statement made by one member who is himself a farmer, who said that the farmer is not looking for charity. Well, he is getting charity if he asks that the taxpayers of the country at large shall bear the cost of administering the Farm Loan Act. Having said that, I say very frankly to the committee that I have an open mind on the question. It might be sound policy to do it; I am not so sure about that. But when my hon. friend was referring to interest rates she took the rate of five and a half per cent. That is the rate at the moment, but as I have said, I think we can safely anticipate a rate of five per cent or possibly a little lower. But let us take five per cent. Until the suggestion was made to-day by the hon. member for South Battleford the lowest rate I have heard mentioned here is four per cent. Everybody has been pleading for four per cent money. My hon. friend from Southeast Grey quite properly pleads the case of the poor farmer who has not a mortgage on his land but has some debts and wants to compound them and take a small mortgage on his farm. I presume she means a mortgage of $1,000. If she does—I may say that the average of all farm loans in Canada is slightly above $2,000,—the difference between four and five per cent for a $1,000 mortgage would be $10 a year. Well, Mr. Chairman, while I sympathize with the farmer every day as I do with many others in all walks of life because of their sufferings and trials and difficulties due to this period through which we are passing, you cannot tell me that $10 is going to make the difference between the success or failure of a farmer who is a farmer on any farm. I only say that in passing. I do not know that I stress it, but we must look at these things in their proper perspective.

I come back to the question of the cost of administration. It is a fair subject for debate, although I must say this, that I still have the feeling that if we put out mortgage money at 3½ per cent we would make a grave mistake from the national point of view and the viewpoint of the farmer himself. I may be all wrong about that, but that is my opinion.

Mr. HANBURY: You would have to provide about $900,000,000 instead of $90,000,000.

Mr. RHODES: Quite so. I indicated at an earlier stage that it would dry up all sources of private lending.

Mr. BEAUBIEN: Does not the minister think that the sources from which a farmer can borrow to-day are all dried up and have been dried up for quite a long time? The farmer cannot borrow a nickle to-day.

Mr. RHODES: I will say this to my hon. friend. I believe no other factor has contributed so much to the drying up of the sources of credit money as the moratoria acts that have been passed by the different provinces in Canada. I do not believe any one thing has done a greater disservice to the farming population of this country although I have

no doubt that the legislation was well designed and was put on the statute books with the best intentions. I do not find fault with any government for that, but I believe that that was the greatest damage done to the farming population that has been done in any quarter century in the history of Canada. I know that there is any quantity of private money to be loaned on farms to this day, and would be but for the moratoria laws that are to be found in the different provinces.

Mr. POWER: Will not the farmers' debt adjustment act have the same effect?

Mr. RHODES: I do not think so, for this reason. It is intended to deal with a situation that exists. There are farmers to-day, and we need not enter into a discussion why it is so, but there are good farmers, hard working, thrifty, honest men who because of an accumulation of circumstances find themselves carrying such a crushing burden of debt that they cannot stagger along under it.

Mr. POWER: Will not the farmers' debt adjustment act have the effect of restricting the farmers' credit for the future?

Mr. RHODES: It may, so far as the immediate future is concerned, but if that farmer is placed on his feet by reason of the operations of the Farmers' Creditors Arrangement Act, and is given new courage and a new outlook, and especially with improved conditions as we have a right to expect, I believe that in the natural course of events he can rehabilitate himself so that his credit will depend upon the manner in which he conducts himself in the future. It may be that the Farmers' Creditors Arrangement Act does dry up to some extent the farmers' sources of credit, but on balance I believe that it will do far more good than harm. I know that there is money available at the present time, and it will be available in the future, and even the farmer who has availed himself of the Farmers' Creditors Arrangement Act, if he lives up to his revised obligations, will I think be able to find more fresh money in the future.

Mr. ELLIOTT: I understood from a statement of the minister that he has in mind some amendments to be made to the act. I wonder if he would be good enough before he sits down to indicate them to the committee so that we can be considering them as we go along.

Mr. RHODES: I have no objection. The first one is a revised definition of "farmer" to make it conform to the definition contained in the Farmers' Creditors Arrangement Act. The second one is to enable the farmer who to-day owes the farm loan board, under agreements, payments of interest at the higher rates to secure money at the same rate as the existing loans carry.

Mr. STEWART (Edmonton): What if there is a drop in the interest rate?

Mr. RHODES: There will be anyway for that farmer immediately this act passes, because we are loaning money to-day at five and a half per cent while the old rate went up to six and six and a half per cent. So there will be a drop of one per cent and probably one and a half per cent.

Another amendment is for this purpose: At the present moment in virtue of the amendments passed last year to the Farm Loan Act we are authorized to make loans up to fifty per cent on the land and twenty per cent on the buildings. We now propose to make it fifty per cent on land and buildings. And to indicate the favourable nature of that amendment, may I point out that under the existing legislation in the United States they lend only fifty per cent on land and twenty per cent on buildings. Another amendment provides that the five per cent which has hitherto been subscribed by the farmer shall be credited immediately to his account. That means in effect that he will be saved interest on that sum from this date on. Then there is another amendment designed to meet a situation which arises in the province of Quebec. It will be recalled that last year, in providing for second mortgages, we authorized the board to take in addition chattel mortgages. But they have no chattel mortgages in Quebec; and whereas we can loan up to sixty-six and one-half per cent where chattel mortgages can be taken under the act, where they cannot be obtained, as in the province of Quebec, it would restrict the opportunity of loaning in that province. And so we propose there, notwithstanding the fact that we cannot secure chattel mortgages, to make loans up to sixty per cent. Those are the important provisions.

Mr. HANSON (Skeena): I rise to support this motion for one reason only; I believe that any legislation put forward by the government to assist the primary producer should be supported by everyone. But after listening, not only this year but during the last three or four years, to what has been said on this subject, I have come to the conclusion that all the help that has been extended to primary producers has been given almost entirely to

farmers, and I do not know what constitutes a farmer. We have swivel chair farmers, speculating farmers, homesteaders and others. If the government intends to pass legislation to assist home builders, then it should receive everyone's support. I would point out to the government however that when we are discussing the necessity of assisting farmers, who are no doubt the backbone of the country, the time has come to give some consideration to those who are handling the other natural products which we have in this dominion. I refer to fishing, lumbering and mining; no assistance has been given to these industries. Three years ago this parliament assisted the farmers of Canada to the extent of five cents a bushel on the wheat they raised, and those who produced wheat were assisted, but those who produced no wheat got no assistance. Consequently that was a failure. Another scheme was tried of assisting the farmers by giving so much per acre, and I understand that also was a failure. Now the government comes along with $90,000,000 to help agriculture, to provide loans on farms at a cheaper rate of interest. But I think—and there are others who feel the same way—that the more money you lend to the farmers the more difficult their situation becomes; some classes of farmers should not get any more money. We have tried assisting the farmers—those from the west will pardon me for saying so—and I think we should now try to help some other industry in Canada as well. I am going to support this legislation, but I do submit to the government that they should give some consideration to the other natural products of which I have spoken.

Mr. RHODES: My hon. friend will remember what is said in Scripture, that to him that hath shall be given, and from him that hath not shall be taken even that which he seemeth to have.

Mr. POULIOT: Teach yourself before teaching others.

Mr. RHODES: I appreciate the plea the hon. gentleman has made on behalf of the fishermen and lumbermen. It may be that we are doing too much for the farmer; apparently that is his complaint. But that is a larger question which we cannot discuss in committee now.

Mr. VENIOT: I understood the minister to refer to an amendment whereby there would be paid back to the farmers, who have already borrowed, five per cent—

Mr. RHODES: No, it will be credited to him.

[Mr. O. Hanson.]

Mr. VENIOT: It will be credited on principal?

Mr. RHODES: Credited on principal immediately.

Mr. VENIOT: Has the minister taken into consideration the point I raised the other day with regard to fixing the legal fees instead of leaving it to every lawyer to charge as he sees fit? I think the government should have a standard, fixed legal fee for searching of records and making out mortgages, and also a standard fee for the valuation or appraisal of property. If that were done a good deal of the expense now entailed would be saved and it would perhaps provide the minister with a means of lowering the interest rate to a greater extent than he anticipates at present. Legal costs are terrible.

Mr. RHODES: There is in existence a scale of fees provided by the farm loan board, and I am advised by the solicitor of the board that there has been no complaint with respect thereto. The trouble my hon. friend has in mind is the one I referred to the other day, the question of search. I have known of instances where the cost of search has been more than the value of the land itself, and the charge was not high having regard to the amount of work done. You cannot avoid that.

Mr. POWER: Some provinces pay it.

Mr. RHODES: That may be so. I appreciate what the hon. gentleman says, and the idea will be to make the charges as reasonable as possible.

Mr. COOTE: The minister said that the protective legislation that exists in certain of the provinces was responsible for the fact that there was no credit available for the farmer.

Mr. RHODES: I did not assign that as the sole reason; I said that was the greatest contributing factor in my judgment.

Mr. COOTE: I will not quarrel with the minister over that, but I do say that the real reason why so little credit is and has been available for farmers in the last three or four years is the collapse of farm prices. I do not need to give a lot of statistics to show what has happened, but I have here a copy of a statement which was received by one of my neighbours in connection with a cow he sent to Calgary in the summer of 1934. It was sent to Adams, Wood & Weiller, live stock commission agents, on July 18, 1934. The cow weighed 870 pounds and brought a price of 50 cents per hundred. The freight on 870 pounds at 30 cents represented $2.61; yardage, 35 cents;

hay, 30 cents; yard fire insurance, 5 cents; commission 75 cents; brand inspection, 10 cents. All these charges came to $4.16, and the total selling price was $4.35, which left the farmer with 19 cents for his cow. On the bottom of the statement there is this note: "Please call at the office the next time you are in town and we will give you this credit in cash. We cannot very well issue a cheque for this amount." When that neighbour was discussing this question at the table one day, one of the men said to him, "It is a good job they did not send you that cheque." He said, "Why"? The man replied, "Well, you would have had to pay fifteen cents exchange on it and probably thirty cents for a telephone call to Calgary to see whether there were sufficient funds for the cheque." The minister said a little while ago that he could not believe one per cent difference on the interest rate was such a vital matter as some hon. members had been trying to make out. There was a time when this cow would have brought this man nineteen dollars. This summer she brought nineteen cents. It is true she was a canner cow.

Mr. HEAPS: Did he cash the cheque?

Mr. COOTE: No, because he did not get it. I said to him, "Why are you so anxious to get this cheque"? He said, "I am anxious to frame it, and if when my young son grows up he complains about the price of farm products I shall show it to him and say: You have no kick coming because this was the price I once got." The commission man got 75 cents while the man on the farm got nineteen cents for the cow.

There have been other instances nearly as bad. I remember two years ago last summer when I went home, a five gallon can of No. 1 churning cream brought ninety cents; that is about eighteen cents a gallon for cream. Someone can work out how much that means for a quart of milk. A returned soldier was trying to make a living milking cows. He said that one day as he was milking he endeavoured to figure out how much he was getting for his work, and he came to the conclusion it meant about five hundred pulls for a cent. Farm prices have dropped so low that in many cases there is no possibility of the farm paying its way and had it not been for the protective legislation put on the statute books by some of our provincial governments, thousands of farmers would before this have been in the cities and the provincial governments and municipalities would have been taking care of them under the unemployment relief act. That is the only result there could have been.

In the United States where they did not have protective legislation there were farmers' strikes in some places and in one case the agent of a loan company who came down to a sale to bid in the farm had a rope put around his neck and was threatened with hanging. That kind of thing might have happened in some provinces had there not been protective legislation. Conditions got so bad that legislation of that kind was unavoidable. The men in charge of some of these big companies that have so many millions of dollars at stake in farm mortgages never showed any intelligent interest in this question; I never heard any of them make any suggestion to the farmer except that he reduce his production costs, tighten his belt and work a little harder. I never heard of them tightening their own belts. As for some of those heads of insurance companies drawing $50,000 a year in salaries, I never heard of them offering to reduce their own salaries. We in parliament could have done something for the farmer and we did not do it. Over four years ago I urged upon the house the necessity for doing something, abandoning the gold standard and stopping this deflation that was going on in Canada. I have been urging this every year since; I know I have made myself a nuisance to some hon. members. A couple of years ago one of them said to me: "Why are you always yapping so much about Australia"? If it is not out of place at this time I would like to take five or ten minutes to tell the house what conditions might have been like if we had gone even as far as Australia has done.

Before I do that may I point out that in 1929 the net revenue of the farms of Canada was $1,034,000,000, but in 1932 it was only $425,000,000 or 40 per cent, while the volume of production in 1932 was 14 per cent greater than in 1929. From 1929 to 1932 the average farm income was reduced from approximately $1,500 to approximately $600. The farmer, however, was still required to make the same payments on his overhead and his debts in 1932 that he had in 1928, and the money was not there. Therefore I do not wonder that credit facilities dried up. No man will give credit to the farmer if he cannot see any possibility of getting his money back.

Australia adopted an entirely different policy from that adopted in Canada. Not only did they reduce the rate of interest by legislation, which we did not do, but they allowed their currency to depreciate in outside countries. This was part of a national plan, a deliberate depreciation of their currency. They abandoned the gold standard in 1930, five years

ago. During most of the last four years the British pound has been at a premium of twenty-five or thirty per cent over that of Australia, while during a large part of that time the British pound was at a discount here. That has made all the difference in the world to the Canadian farmer. For a long time the Australian farmer had a sixty per cent exchange advantage over us. I have tried to work out in dollars and cents what it would have meant to the Canadian farmer to be under the same monetary policy as Australia. I wrote to the Commonwealth of Australia and have before me a letter from the Secretary of the Treasury there, who gives me the fluctuations in the exchange rate between Australia and London for the last five years. I shall not quote them all, but the depreciation in Australian exchange in London commenced on January 1, 1930; at least it was depreciated at that date. By January 29, 1931, the exchange rate stood at 130 Australian pounds equalling 100 British pounds. On December 3, 1931, it dropped back to 125 Australian pounds to 100 British pounds, and has remained at that rate until the present. Hon. members can see from that that for over four years the Australian farmer had at all times an advantage of 25 per cent and part of the time an advantage of 60 per cent over the Canadian farmer. I secured from the Australian treasury a book of statistics which shows the gross value of agricultural production in Australia as follows:—

Year	Gross value
1929	£256,000,000
1931	182,000,000
1932	177,000,000
1933	179,000,000

That works out at this percentage of agricultural production of 1929:

Year	Percentage
1931	71
1932	69
1933	70

Or an average of seventy per cent for those three years. I want hon. members to note the comparison between that and the situation in Canada. The gross value of agricultural production in Canada for the same years was as follows:

Year	Gross value
1929	$1,631,000,000
1931	845,000,000
1932	775,000,000
1933	762,000,000

That works out at the following percentage of agricultural production of 1929:

Year	Percentage
1931	51
1932	48
1933	47

[Mr. Coote.]

Or a little under 50 per cent of gross value of 1929 while in Australia their gross value was practically seventy per cent of that of 1929. Applying the same percentage of reduction in Canada as they had in Australia, this is what we should have had if the volume of production had been the same:

Year	Gross value
1931	$1,158,000,000
1932	1,125,000,000
1933	1,141,000,000
Total	$3,424,000,000

Mr. YOUNG: Was the volume of production the same?

Mr. COOTE: I am not able to get any figures for the volume of production in Australia but I will give the volume in Canada just in a moment. The total actual gross value of production in Canada for the three years 1931, 1932 and 1933 was $2,382,000,000, if the percentage drop had been the same as it was in Australia our total gross production would have been $3,424,000,000. The actual figure being $2,382,000,000, it shows a loss in our gross production of $1,042,000,000. I estimate the loss for 1934 at $300,000,000. I have no figures to verify it, because the figures for Australia are not available at the moment, but assuming that sum, for the sake of the argument, it gives a total of $1,342,000,000. That is what I would consider the drop in gross value of agricultural production because of the fact that we have not been on a comparative exchange basis with Australia.

There is a difference in the figures given by our bureau of statistics between gross value and net value in agricultural production, because in the gross value there is much duplication. For instance field products are valued separately from live stock, but a large percentage of field products are fed to live stock. The bureau give net figures as well as gross; and for 1931, 1932 and 1933 their figures of net production are 63 per cent of gross production. Taking therefore 63 per cent of the estimated loss of $1,342,000,000 would give an estimated loss in net revenue to Canadian farmers in these four years, due to the difference in exchange between Canada and Australia, of $845,000,000. Let me say at once that these are not positive figures; they are based on estimates which have been prepared in both countries by the bureau of statistics.

Coming now to the question raised by the hon. member for Weyburn (Mr. Young) as to the volume of production: no statistics are available as to volume in either country so far as I could ascertain, but I have the figures for agricultural marketings in Canada, also

secured from the bureau of statistics. Taking 1926 as equal to 100, the agricultural markets in Canada were:

1929	101
1931	99
1932	114·3
1933	105·1

This would indicate that the average production for 1931, 1932 and 1933 was somewhat greater than in 1929, so we can say that the drop in the value of production in Canada was not due to a decrease in volume. I have only taken into account the difference in the money income to the Canadian farmer because of this exchange situation, but that is the important point when dealing with the question of debts and interest. In Australia in the fall of 1932, due to the difference in exchange and the resulting difference in the price of wheat, and due also to the legislation in Australia reducing interest rates by 22½ per cent, of the existing rate 100 bushels of wheat would pay the interest for one year on a mortgage drawn for $1,000 at 8 per cent interest, whereas in Canada it would take 200 bushels to pay the interest on a similar mortgage. That is the reason the Canadian farmers could not pay their interest; it took too much of their product, for of course the only way a farmer can pay any interest is from the product of his farm. If in order to pay his interest he has to drive three times as many steers or hogs to market or deliver twice as many bushels of wheat, he is not going to have as much for himself. Under the conditions of the last few years a farmer could not pay the interest or reduce the principal, and in many cases he could not even pay his taxes.

I want to go a little further. In addition to the increased ability of the Australian farmer to pay debts or fixed charges, he also had a large advantage in purchasing power or real income. The statistics are not quite up to date, but in March, 1932, using the March, 1930, figures in both countries as equalling 100—these figures were worked out for me by the bureau of statistics here—the purchasing power of farm products in Australia gave an index figure of 96·1, whereas in Canada the figure was 68·6. In other words the purchasing power of farm products in Australia was 40 per cent greater than in Canada.

In June, 1934, on the basis of 1913 prices equalling 100 in both countries, the purchasing power of farm products in Australia and Canada was as indicated by the following figures:

Index figures for farm products

Australia	116·1
Canada	93·5

Cost of living

Australia	118·0
Canada	119·6

These figures indicate that the purchasing power of farm products in Australia was 25 per cent greater than it was in Canada. There you have a pretty good indication of the cause of the present farm debt situation and the reason why reasonable credit facilities are not available to farmers in Canada to-day.

Until the present deflation I do not think there was any field of investment in Canada that showed a better record, outside of government bonds, as far as losses to the investor are concerned, than farm mortgages. But during the last five years we have gone through conditions that in many cases made payment absolutely impossible. Even yet I do not think the default in farm mortgages is as great as it has been in connection with corporation bonds. I have a statement here which shows that corporation bond defaults in Canada during the last four years total over $500,000,000, which I believe is twenty-five per cent of all the corporation bonded debt in Canada. Then I have a statement of the default in municipal bonds, which shows a total for 1934 of over $118,000,000, made up as follows:

British Columbia	$11,000,000
Alberta	427,000
Saskatchewan	4,000,000
Manitoba	14,000,000
Ontario	77,000,000
Quebec	11,500,000
Maritimes	Nil

There is another question that I wish now to bring to the attention of the Minister of Finance and the committee, namely, what has been done in other countries in regard to this matter of credit for farmers. I feel safe in stating that farm mortgages in Canada are carrying at the present time a higher rate of interest than in almost any other country, certainly any of our competitors. A great many people in my constituency are still paying eight per cent, some nine per cent. If the minister has any fuller information in regard to rates in other countries to-day I hope he will give it to the committee. In New Zealand in 1932 they had a National Expenditure Adjustment Act, under which there was a reduction of interest rates on mortgages, as well as of rents and other fixed charges, to five per cent on real estate mortgages and six and one-half per cent on chattel mortgages. The court was also given power to postpone payments and to reduce interest rates and principal and to remit arrears of principal in whole or in part.

They have also in New Zealand a state system of farm mortgages, as I reported last year. The institution had £50,000,000 of state capital represented in real estate mortgages, and they were empowered to lend up to seventy per cent of the value of the property. In Argentina, with a view to assisting the farmer, a reduction of two per cent in interest rates has been agreed to by the banks. On promissory notes with acceptable endorsement or guarantee, there is a rate of five per cent, and on loans not guaranteed, six per cent. Then in connection with the National Mortgage bank I believe the interest on their bonds has been reduced from six to five per cent, and a corresponding reduction has been made in the interest rates on mortgages. In connection with the Argentina may I say that their currency is depreciated to such a point that they now have an exchange advantage of sixty per cent over their Canadian competitors. They have a board of control for cereals which has set prices for wheat, corn and linseed. This amounts to 5·75 paper pesos for wheat, 4·40 paper pesos for corn and 11·50 paper pesos for linseed of average quality. These prices are f.o.b. cars, Buenos Aires, and are based on 80 kilograms per hectolitre. I must confess that I could not translate that into bushels.

Then I want to draw the attention of the minister and of the committee to the action that has been taken in South Africa. In 1933 the government made provision in their budget for enough money to pay a subsidy of one and a half per cent on the capital of mortgages of bona fide farmers, and the government expect from mortgagees that while this support lasts they will be satisfied to limit the interest they receive on their money to five per cent per annum in full compensation of interest charges. The farmers are expected to pay three and a half per cent, and by making the government subsidy contingent upon the farmers paying their share, the government in effect will be safeguarding five per cent on the money invested by the holders of farm mortgages. To deal with those creditors who are not willing to limit their interest rate to five per cent the government proposes to levy a tax which will be equal to the amount by which the interest actually collected exceeds the rate of 5 per cent per annum. The proceeds of this tax will be distributed as a further subsidy to the farmers who have actually paid it, and I should like to recommend this to the Minister of Finance. If he does not like to incorporate in the law at present a provision limiting the rate of interest which may be collected on farm mortgages he might adopt this policy which has been put into force in South Africa, and place a tax on all interest collected in excess of five per cent. Then the excess over five per cent would go to the government, and the government could use it to take care of the people who had to pay this higher rate of interest.

I did not intend to take up so much of the time of the committee, Mr. Chairman, but before I sit down let me say that I hope the minister will see his way clear to fix the rate of interest in some way so that it will not exceed four per cent. I think we could say it is in the national interest that this should be done. It was in the national interest that our money was kept at such a high level in the markets of the world. We were told that we owed so much money in the United States—though I do not think the farmers owed it—through our municipal, provincial and federal governments as well as through our corporations that we had to keep our exchange rate as close as possible to par in New York. Keeping our dollar up in New York meant keeping prices down here, and if our dollar was kept up in New York for the reasons I have stated it seems to me it is a correct statement to make that this was done in the national interest. If in the national interest farm prices suffered to even one-half or one-third the degree I have suggested this afternoon, I think now, in the national interest we might see that credit is made available to the farmers at a rate not exceeding four per cent. I hope this will have the favourable consideration of the government and the minister.

Mr. RHODES: I have refused to be drawn into a discussion of the tariff. Much more will I refuse to be drawn into a discussion of inflation, because with all deference to my hon. friend from Macleod I submit that his argument in that respect had no more to do with this bill than would a discussion of the Einstein theory. We are discussing, or should be discussing, a farm loan bill. We lend dollars and dollars are paid back, and it does not matter whether they are ten cent, fifty cent or gold dollars. What the hon. member says with respect to inflation may have its bearing on another question, but certainly it has no bearing upon this bill. I am sure he would be the last to accuse me of any discourtesy if I refuse to pursue his line of argument in that respect. I have only this general observation to make, that my hon. friend certainly reminds me of the old saw that distant pastures look green.

I marvel that my hon. friend should content himself with living in this benighted land when there are so many countries much more favourably situated than we are.

Mr. GARLAND (Bow River): This is the unemployment insurance bill.

Mr. RHODES: What is the Olympus giving utterance to now?

Mr. GARLAND (Bow River): No, not Olympus; I could find a name for it, but I will not now.

Mr. RHODES: Then perhaps my hon. friend will allow me to conclude my remarks and then make his.

Mr. GARLAND (Bow River): My hon. friend asked me a question. However, we will answer later.

Mr. RHODES: And any time I have a remark to make may I say that I will rise and address the chair. Now, my hon. friend from Macleod—

The CHAIRMAN (Mr. Morand): Order.

Mr. RHODES: I hope my hon. friend from Southeast Grey does not think she is entitled to a particular disregard of the rules of the house. Personally I have always endeavoured to treat her with all deference, not only because she is a member; in addition I have pleasure in treating her with the courtesy which is due her sex. But at the same time I do not think she should trade upon that and feel that she can disregard the rules.

Miss MACPHAIL: How did I disregard the rules, Mr. Chairman?

Mr. RHODES: My hon. friend did disregard the rules by speaking from her seat, without even addressing the chair, while another hon. member had the floor.

Miss MACPHAIL: Is that an unusual occurrence in this house?

The CHAIRMAN (Mr. Morand): It is not according to the rules.

Miss MACPHAIL: Then hon. members had better observe that rule.

Mr. RHODES: I am just making that suggestion, Mr. Chairman. Now, coming back to the reference of my hon. friend from Macleod, I cannot add anything to what I have said already with respect to the question of interest. I am in the judgment of the committee upon that question to a very large extent, but I do feel that we are going as far as we can when we provide money to the farmer at cost, which is practically what we are doing. My hon. friend from Macleod has spoken about other countries. I have pointed out that at the present time in the United States, through the farm loan banks, they are charging the farmers five per cent under contracts which call for the payment of five and a half per cent after 1938, and I have stated already that I think we can have at least five per cent money in Canada.

Mr. GARLAND (Bow River): Mr. Chairman, I am tempted to believe that for the Minister of Finance this must indeed be a blue Monday. Rarely have I seen him so, shall I say, prickly or crusty. It is quite opposed to his usual rather genial good humour. I wonder if it is not true that it was the excellence of the argument of the hon. member for Macleod that really got under his hide a bit. There is no doubt that the policies of this administration, in their mad, insane desire to maintain what they called sound money in the face of the inevitable financial trend of all nations at that time, resulted in ghastly losses to agriculture and many of the other primary industries of this country, not excepting lumbering and fishing. If the government had been well advised, as they would have been had they followed our advice, in regard to the question of attempting to maintain some balance between the value of the Canadian dollar and the value of the British pound when Great Britain went off the gold standard, our cattle trade would have been saved $10 per head.

The CHAIRMAN (Mr. Smith, Cumberland): Would the hon. member please stick to the bill?

Mr. GARLAND (Bow River): We are sticking to the bill, and sticking strictly to the bill. What I have said has a very direct and definite relationship with the whole argument of the Minister of Finance on this bill. He has suggested that the hon. member for Macleod is to be rebuked because he used illustrations from other countries, notably New Zealand and Australia, to point the moral of his tale. I heard the Prime Minister himself for hours and for days pointing the moral of his tale by holding out the unemployment insurance measure of Great Britain. That is a distant pasture, almost as distant as Australia or New Zealand.

If it comes to a question of distant pastures this government should not rebuke anybody. It was the government's anxiety to guard the well being of New York and other foreign creditors which resulted in the deliberate action of maintaining currency at a fictitious

value in relation to international exchange and which resulted in a ghastly loss to us, as I stated formerly. The hon. member for Macleod has put up an argument which the minister has not and cannot answer. I do hope however that in spite of that the government will consider the advisability of helping to carry the costs of the administration of this bill. I hope before the bill is given third reading the government will have become sufficiently well advised to introduce a clause such as has been introduced in connection with the unemployment insurance measure. Subsection (3) of section 8 of the unemployment insurance measure contains the following provision:

> The costs of administration of this act, including remuneration of commissioners, officers, clerks and employees, shall be paid out of moneys provided by parliament.

I submit the inclusion of a section exactly the same as the one I have read would enable the farm loan board to advance moneys to agriculture at a rate of interest which would be in some degree commensurate with the farmers' ability to pay.

Mr. RHODES: May I say to the hon. member for Bow River that if when he used the elegant phrase whereby he suggested something had got under my skin he had in mind anything I may have said to the hon. member for MacLeod, he is entirely mistaken. I hold the hon. member for Macleod in the highest esteem and would be one of the last persons in this chamber who would desire to give that hon. member the slightest offence. I do not think the hon. member for Macleod was offended in any way. What I did attempt to say was—and I may have said it clumsily or may have been unfortunate in my manner of speaking—that his argument had no bearing upon the bill. I still say that in my judgment it had no bearing. I do not decline to discuss the question of inflation and various matters cognate thereto which he did discuss. Were I competent I would proceed to do so upon another occasion. But I say that matter has no bearing upon the bill, nor by any stretch of the imagination can a discussion of that point be said to be a discussion of this measure. What I did take exception to was the hon. member for Bow River, who very frequently takes a superior attitude and rather sympathizes with or feels sorry for every other hon. member in the chamber—

Mr. GARLAND (Bow River): No.

Mr. RHODES: —interjecting remarks from his seat. I have a sense of the fitness and proportion of things, and I like to see the business of parliament conducted in a proper manner. That cannot be done if we allow one hon. member to interject remarks from his seat when another hon. member has the floor.

Miss MACPHAIL: We will remember that.

Mr. RHODES: I wish the hon. member for Southeast Grey would remember that, because she has spoken out twice since she made her former observations. I will leave it to this committee—

Miss MACPHAIL: Do the rules of the house apply only to hon. members on this side, or do they apply on all sides?

The CHAIRMAN (Mr. Smith Cumberland): They apply on all sides of the house.

Mr. RHODES: I leave it to the judgment of the committee to decide as to whether or not I am one who is in the habit of interrupting either from my seat or after rising. I have always endeavoured to listen to what every hon. member has had to say, and I have endeavoured to conduct myself with a degree of courtesy. May I say to the hon. member for Bow River that my skin both inside and out is, so far as I know, perfectly normal, and that I have not the slightest feeling of rufflement. His suggestion is not going to deter me from asserting the position I have the right to assert either in matters of discussion or in the application of the rules of the house.

Having said so much I hope the hon. member will accept my observations, that he will feel that the hon. member for Macleod is quite capable of looking after his own interests and does not have to call upon the hon. member for Bow River to come to his rescue, especially on an occasion when such aid is entirely uncalled for and when he is in friendly hands.

Mr. BEAUBIEN: Mr. Chairman, a little while ago, before the flare up the minister intimated that the field for borrowing was practically nil, and I believe he indicated that the reason for the limitation of the field in which the farmer might borrow was found in the moratoria of the different provinces.

Mr. RHODES: I hope the hon. member will permit me to state that I did not assign that as the sole reason. I said that was a very important, if not the most important reason.

Mr. BEAUBIEN: I am pleased the minister has made the correction. One of the contributing factors of limitation of the farmers' borrowing powers has been the debt adjustment acts of the different provinces.

The debt adjustment act of the province of Manitoba, with which I am most familiar, does not go as far as the Farmers' Creditors Arrangement Act. All the debt adjustment act of that province means is a postponement of the conditions; they have no power to write down. It is simply a postponement, and every person who comes under the act in the province of Manitoba must put his cards on the table and give a true statement of his affairs. If he does not do so the debt adjustment board will not protect him. We know however that the farmers in western Canada who are not and never have been operating under a debt adjustment act at certain periods of the year want to borrow small sums of money to buy twine or other articles connected with production, and they find it impossible to borrow the small sums necessary. They cannot borrow it from the banks—and may I say I do not blame the banks. The condition is that a farmer with one hundred or two hundred acres of grain ready for the binder cannot get $30 or $40 to buy twine. But when the resolution was before the house I took the stand that the amendment to the Farm Loan Act should be complementary to the Farmers' Creditors Arrangement Act. I stated the impression had been created in western Canada that the Farm Loan Act of 1934 was complementary to the Farmers' Creditors Arrangement Act, and many farmers were under the impression that if they went before a receiver and had their debts adjusted they could go to the farm loan board and borrow the amount due after the readjustment had been made. They were further of the opinion that if they had to go before a board of review, such board having power to make a compromise despite the views of the creditors or debtors, they could use the farm loan board for purposes of consolidating their debts. The minister rather doubted that that opinion could exist. The minister distinctly said that the Farm Loan Act was going to be run along business lines and he could see no reason why the farmers in any part of the country should get the opinion that these amendments to the Farm Loan Act would be complementary to the debt adjustment act. But I have the Prime Minister with me. It is not very often, but I have him with me this time, for here is what he said in 1934 when he proposed the resolution that it is expedient to amend the Canadian Farm Loan Act:

> I endeavoured to indicate to the house this afternoon in a broad and general way that this bill is complementary to the bill dealing with the adjustment of farm indebtedness.

Then further on he makes this statement:

> I also indicated that the measure founded upon the resolution contemplates that additional advances to those already provided for in the provisions of the Canadian Farm Loan Act may be made, to enable a scheme of composition or arrangement to be carried into effect.

I know the Minister of Finance is a fair-minded man, except when some hon. member gets under his skin, and I do not think he could get any other impression from the words of the Prime Minister than what the farmers in western Canada got, namely, that immediately the machinery created by this parliament to make a debt compromise was available, together with this other machinery, providing $70,000,000 or $90,000,000, the farmer could go and use this other piece of machinery and consolidate his debts. I am still of opinion—I have not changed my mind at all—that if the Farm Loan Act and the debt adjustment act are going to work the benefits for the farmer that the minister and the government expect, they must work in conjunction. If they do not I doubt very much the success of these two pieces of legislation.

May I say this to the minister before taking my seat? The echoes of the Farm Loan Act and the debt adjustment act were heard throughout the country last year. In fact, politicians were going around saying that the farmers could borrow from the farm loan board at no more than five per cent interest. Now in 1935, with an election on the horizon, the minister can readily imagine what the supporters of the present government will be spreading around in the country to the farmers. They will point out that the legislation that was brought down last year was amended this year, increasing the amount available, and the minister who is a fair-minded man generally, can imagine what will be broadcast to the farmer, giving the impression much more strongly even than last year that both acts are designed to work together.

Mr. RHODES: Mr. Chairman, I do not think it is necessary for the hon. member for Provencher to quote the Prime Minister in support of his assertion that the amendment to the Farm Loan Act was intended to be complementary to the Farmers' Creditors Arrangement Act.

Mr. BEAUBIEN: I thought he was a good authority.

Mr. RHODES: My hon. friend apparently had the idea in his mind that he was controverting some position that I had taken. I have never for one moment suggested that the

Farm Loan Act was not to be regarded as complementary to the Farmers' Creditors Arrangement Act. Quite the contrary. What I did say was this. I am not sure whether the suggestion came from the hon. member for Macleod or some other hon. member, but it was suggested that we should make an amendment whereby it would be obligatory on the farm loan board ipso facto to loan money provided that the board of review under the Farmers' Creditors Arrangement Act said they were to do so. I pointed out how illogical that would be, that you could not have one body issuing orders upon another responsible body. I said that each individual case would have to be dealt with by the farm loan board on its merits, and the farmer who has an adjustment made under the Farmers' Creditors Arrangement Act can still get his loan from the farm loan board, but not as a matter of right. The discretion must rest with the farm loan board, as to the man, the character of his farm, the probabilities of his succeeding and other necessary factors. But if he is a good farmer, a worthy farmer, with reasonable security, he will have no difficulty in securing money under those circumstances from the farm loan board. But I wanted to dispel the idea that simply because a farmer comes and knocks at the door he must of necessity gain admittance. That would do away with all discretion on the part of the board, and we could not hold them responsible for the handling of public funds.

Mr. BEAUBIEN: I am very glad to have this statement from the minister because now I shall be in a position in the next campaign, if any of his supporters try to create the impression that they did last year, to quote the minister's own words in denial.

Mr. SPEAKMAN: I usually find, even though I do not agree with all his premises, that I do agree with the logic of the Minister of Finance, but I am compelled to say that I could not quite follow the logic of his position when he replied to the hon. member for Macleod that any discussion of the monetary policies of this and other countries in their relation to farm prices had not a very close relation to the bill now under discussion.

After all, what was the suggestion of the hon. member for Macleod? The suggestion was that the government of the day might well insert a provision in this act that the administrative costs of the farm loan board and of the Farm Loan Act should be borne from public funds. In pointing out that this was a responsibility which the government might well assume, the hon. member for Macleod also pointed out that to a degree at least other policies of the government were responsible for the necessity of the provisions of this bill. He pointed out, as I understood him, that one of those policies which had made this bill essential, which had decreased the value of farm credit and had made it difficult for the farmer to borrow money through the ordinary channels, and made it difficult for the farmer to pay anything but the lowest interest rate, was the policy of deflation which had been followed by this country, followed in the opinion of the government in the direct interests of the nation itself. Certainly with my limited powers of logic, Mr. Chairman, I thought the argument was one which had an absolute relation to the matter in hand and one which might well have been answered, although I will admit at once that I would not expect the minister to go into any detailed discussion at this time of the policies of inflation or deflation.

But there is another point which has to be considered, and after all it is the foundation fact. What is the purpose of the legislation? As I see it, it is twofold: First, to provide for farmers a credit which they otherwise might not receive, to make available to them a source of credit which is made necessary by reason of the fact that private commercial credit is no longer available to them. Secondly, to establish some form of interest control, indirectly, by loaning that money at as low a rate as possible. Now the question arises at once, what is a reasonable rate? That, as has been stated again and again, and as I think the minister will accept, must depend on two factors; one is the cost of the money, and the other is the ability to pay. Many arguments have been advanced to show that the farmer's ability to pay has been greatly reduced. As a matter of fact I can go a little further. The reduction in price levels and farm values is accompanied by much more than a corresponding reduction in ability to meet interest charges, because after all while interest charges are paid out of prices they are paid only out of that proportion of the price received for production which is over and above the cost of operation and of living. The lower the price the less the proportion of production which is left available for meeting the payment of debts or taxation, and the greater the proportion of that production that must be absorbed in ordinary operation and living cost, so that the proportion available for debt is smaller, and the value of each item of that proportion is smaller. The debt paying ability of the farmer is therefore reduced

by far more than the percentage of price reduction. I believe I am following closely logical reasoning in this.

Now we come to the point of the government's responsibility in the matter. I will not say, because I think it is unfair to say, that the government has a definite responsibility to perform any service for any part of the community at the cost of the state itself. But the government has set in many instances the precedent of having accepted that responsibility, and the precedent which has been cited again and again, the precedent most recently discussed in this house, that of unemployment insurance, is very much in point. That is a policy which in the national interest must be put into effect, but it is a policy which will directly benefit only a limited percentage of the population of the country. And yet it is a policy towards the support of which every part of the country must contribute, so far as state expenditure is concerned. I have no quarrel with that, because I believe that in a large way if anything is really good for any part of the community it must be good for the community as a whole.

An hon. MEMBER: Oh, no.

Mr. SPEAKMAN: And I think the reverse is also true. But if in the long run it is really good, if it is sound, and raises one part of the community to a proper level, it will have a corresponding beneficial effect on all other parts of the country. Now if that is so, when we turn to agriculture I can see no logical reason why the same process should not be followed. It is just as much in the national interest that agriculture should be on a reasonable basis, that it should be able to meet its obligations and continue to operate, as it is that there should be unemployment insurance for those who in the future may be unfortunate enough to lose their job. To my mind it is even more important, because the maintenance of agriculture on a proper basis means the maintenance of increased wealth in the nation as a whole. The maintenance of the unemployed on a basis of reasonable insurance is much more individual in effect, except in so far as it will reduce the cost of unemployment relief and maintain the morale, the decent citizenship and the moral standards of those affected.

It is unnecessary for me to stress the fact that the lowest possible rate of interest is all, and sometimes indeed more than all that the farmers can pay. Of such paramount importance is this question of interest that it is worth the government's while to look upon it as a definite national policy to be supported to a degree, at least so far as administrative cost is concerned, by national expenditure, towards which the farmers themselves will contribute their mortgage, which is more than can be said for the unemployment insurance measure; because the larger part of the state's contribution under that measure will be paid by those who receive no benefit from the fund.

It is all very well for the minister to say that, taking a mortgage of $1,000, one per cent means only $10, which is not much. Well, in some instances $10 means a good deal, but apart from that it is not just $10. The average mortgage debt, at least in the west where farms are larger, is much more than $1,000; and if you multiply that $10 by two, three, four or five, as it is multiplied right through, then that $30, $40 or $50 may mean the difference between the ability of the farmer to meet his obligation and his inability. And if he can meet it it may spell the difference between a reasonable standard of comfort and a standard far below par. The next important point is this—and I am glad to see that the minister has it in contemplation, although of course no act is any stronger than its subsequent administration, and no minister can say definitely how an act will be administered; he can only indicate the lines along which it should be administered and, to the best of his ability, safeguard its administration through legislation. You can have a poor act and it may run fairly well if it is in the hands of first class men with first class policies; and on the other hand the best act may be unsatisfactory if it is administered by the wrong men with wrong ideas. To my mind it is imperative to meet one of the greatest abuses, one of the greatest weaknesses of the old act; and after all we are discussing the weaknesses of the old act. And this was one of the greatest of its weaknesses: that the factor the minister has laid down again and again as one of the important features in the lending of money, the moral factor, the question of the type of man himself, had never to my knowledge been taken into consideration under the old administration At least I can say this, that time and again, in scores of instances, hopeful borrowers have come to ask my advice as to the best way of presenting their case, and I have had a good many cases laid before me of intending borrowers who were refused a loan. And so far as I could discover, judging from the correspondence, the letters sent by the provincial boards—because, as the minister understands, there is no direct application to

the federal board, and I am not discussing the board under the old act, for it was the provincial board that took that responsibility —never in a single instance have I read or heard of the slightest reference having been made to the personal character, the personal ability and the moral standard of the man himself. It was always a question of tangible security. I am glad therefore that the minister stressed the character of the borrower. That is the greatest criterion. The second is this, and it is a weakness which I hope the government will rectify. I refer to the habit that has persisted through the years of blanketing various areas within which no loan would be made on any terms. I represent one of the better areas in the west, an area which generally speaking has a reasonable rainfall and in which the type of farming carried on is as a rule looked upon as the best foundation for loans—the moderate sized farm in which there is mixed farming, plenty of stock, cattle, hogs, and all the various forms of agriculture, with a good record of production. And yet in that area, in district after district, no loans could be made, no matter what the value of the farm or the character of the man might be. The answer has always been: Generally speaking, your area is not one of which we approve. The man may be all right, but it is not worth while; it will cost too much to take his application and examine it on its own merits.

I believe the whole scheme should prove a success if the administration is carried on as is contemplated in the act and as is indicated by the minister's statement, that is that there shall be no blanketing of cases, but that each case shall be taken on its individual merits, as it should be; that the moral character, the spirit, the personality of the man himself will be one of the controlling factors and above all that a generous spirit shall be shown in the administration of the act. If you have that, coupled with what I believe is absolutely sound, the lowest possible rate of interest made available—and I think that is a sound stand to take—by the assumption on the part of the state of the administrative costs of this act just as the administrative costs of other acts have been taken over by the state, so that the farmers who do borrow will have the same rate as that at which the state can borrow, the effect of that low rate of interest will be so reflected in commercial rates as to carry the benefit far beyond the bounds of the act itself. After all—and this to my mind should never be lost sight of—I have heard lenders, mortgage companies and others state again and again that the high rates of interest on farm mortgages in western Canada were rendered necessary because of the insecurity of the loan; that is, they had to have a higher rate in order to cover possible losses. Yet it has been driven home again and again that the greatest single factor in making a loan insecure is a rate of interest beyond that which the money will earn in that particular business; that is what makes a loan insecure. I am taking it for granted that the loan in the first place is made to the proper type of person engaged in the proper type of industry and with reasonable security. I am not afraid the farm loan board or any other will go outside those factors in making loans, but taking for granted those factors, the biggest one that tends to insecurity of loan, of repayment, is charging a rate of interest beyond that which the man can earn in the business during the term of years the money is loaned. The government would be well advised, realizing this fact, to take over, for the time being at least and until prices reach a reasonable level, the cost of administration.

Mr. RHODES: I may be permitted a word in reply to the hon. member for Red Deer, who is always most fair and, if I might say so, extremely logical in his presentations. I do not think there is any very great difference except that he inadvertently, I am quite sure, took the wrong interpretation of something I said in reply to the hon. member for Macleod. I should be the last to take any exception to his using an illustration from another country which had a bearing on this bill, but I did not hear him suggest—and I was not dealing with a suggestion which I had not heard from him—that in other countries they had borne the administration costs. In proof of that I may say I stated earlier in the discussion, not only to-day but on previous occasions, that I felt that was a fair subject for discussion, indicating that I had an open mind on the question. I merely took exception to what the hon. member for Macleod said as to what had been done in Australia in respect of the question of inflation, which I most respectfully suggest has no reference to this bill or to any provision of the farm loan act. My hon. friend also quite unintentionally put into my mouth words which would be capable of an interpretation furthest from my thoughts. In fact he put into my mouth words which I am quite sure I did not utter when in reply to the hon. member for Southeast Grey I spoke of the difference between four and five per cent on one thousand dollars. I do not think I used the ex-

pression "only just ten dollars," and I doubt whether Hansard would bear out any statement that I did. What I did say was that I doubted whether a difference of ten dollars would spell the difference between success and failure, and I used it in that relation. I should be the last person not to realize that ten dollars is of value to anyone who is thrifty and frugal, and much more so to one who is hard put to meet his obligations. I am quite sure my hon. friend will be the first to accept my statement that if I did not say so, that was what I intended to say.

I will say just this one word more; I am told by the farm loan board here that the instructions were that the personal character of the borrowers was to be taken into consideration. One of the difficulties in connection with our old farm loan act was that we had to go through the medium of the different provincial boards with different personalities and difficulties which local conditions could create. I can assure my hon. friend and the committee that while I have to do with the administration of this act, the personal equation will be regarded more highly than will the land itself. If I were lending money I would put the personal equation first and foremost, over and above the value of the land itself. I do not think I can make that any stronger than I have. I hope those who may succeed me in the administration of the act will take the same view, because to my mind it is one of the cardinal principles of the successful operation of the farm loan or any other type of loan act.

Mr. VALLANCE: There is another matter I would like to draw to the attention of the minister. I notice in the Saskatoon Star of February 21, an article headed "Farmer can waive his exemptions." Might I be permitted to read to the minister just a little of the article? It reads:

In other words, the legislation put through its final stages—

This is through the Regina house.

In other words, the legislation put through its final stages Wednesday night, gives to a farmer the right to negotiate a loan through the federal farm loan board, offering as security for the loan certain chattels which under the terms of the exemptions act up to the present have been exempt from seizure.

In defining the clause in the legislation, Hon. T. C. Davis, attorney general, said the clause had been inserted at the request of federal farm loan board authorities, as the condition upon which the federal act would be made operative in Saskatchewan. He pointed out that while the legislation gave the right to the farmer to waive his right to exemptions for seizure as a means of obtaining a loan from the federal farm loan board, there was nothing to compel him to do so.

What were his exemptions?

The property for which exemptions from seizure are now provided, and for which farmers would be asked to waive exemption rights as a means of getting a loan would include:

Four oxen, horses, or mules, or any four of them, six cows, six sheep, four pigs and fifty domestic fowls besides the other animals kept for food purposes, together with food for such animals for the period from November 1, to April 31, or such portions of the months which follow the date of seizure.

The question I would like to ask the minister is this: Have the exemption laws in any or all of the provinces where they have such laws been waived in order to make the act operative in such provinces? Because if they have been, it seems to me that it is rather, shall I say, a drastic step to take. In Saskatchewan the movement from the dried out areas to the northern portion of the province would not have been possible had it not been for the exemption laws in operation in that province; that is to say, farmers who were down and out claimed under the exemption law enough chattels to permit them to move into some other portion of the province or of the country and start anew. If these exemptions have to be waived, I can foresee the time when simply because of the waiving of those rights in order to make it possible for the federal farm loan board to operate in the particular province, there will be a greater percentage of destitution among the farmers than there is now. I hope the minister will be able to explain the situation.

Mr. RHODES: That statement was drawn to my attention, but so far as I can ascertain it is purely gratuitous. No request was made by this government or any member of it, so far as I am aware, to the government of Saskatchewan or any other government that there should be a waiver of any statutory exemption. Furthermore the chairman of the farm loan board advises me that he made no such request. Where it came from I am at a loss to understand.

Mr. MacMILLAN (Saskatoon): Propaganda.

Mr. RHODES: That is the only explanation that I can give. If the legislation were put through for the purpose of improving the position of the farmer I could understand it, but so far as I can ascertain there was no request from Ottawa.

Mr. VALLANCE: Section 12 reads:

In the event of legislation being passed by the legislature of any province after loans have

been made available in that province which, in the opinion of the board, would prejudicially affect the security of existing or future loans, the board, by notice to be published in the Canada Gazette, may cease to make further loans in that province.

So that if the legislature of any province passes legislation that might not meet with the approval of a government then in power at Ottawa, the Ottawa government has the right to use the big stick and say: This act shall not be operative in that province.

Mr. RHODES: If in the picturesque language of my hon. friend from South Battleford that section means wielding the big stick, I can only say it was placed in the hands of the government by the government which he supported.

Mr. VALLANCE: I still object to it.

Mr. RHODES: But the hon. member asks how it arose, and I am telling him. Section 12 of the original Canadian Farm Loan Act, passed in 1927, reads:

> In the event of legislation being passed by the legislature of any province operating under this act after loans have been made available in that province which, in the opinion of the board, would prejudicially affect the security of existing or future loans, the board, by notice to be published in the Canada Gazette, may cease to make further loans in that province.

That I think is a sound provision; I do not find fault with it. I think the farm loan board would be remiss in its duty, dealing as it does with a large volume of public funds, if it were not in a position to avoid having confiscation effected by provincial statute. That is practically what it means.

Mr. VALLANCE: Was there not this difference, that in 1927 the federal legislation was enacted in view of the fact that you had provincial farm loan boards? Now you are demanding that in order to make this act operative the provinces must do away with the provincial farm loan boards. I think the situation to-day is entirely different from what it was then.

Mr. RHODES: No, the old act applied only to the provinces that passed enabling legislation, therefore it did not apply in Saskatchewan, Prince Edward Island and Ontario, but did in the other six provinces. This legislation had no reference to whether a province came in or not. It simply protected the board from legislation which would be inimical to the proper operation of the act.

Mr. VALLANCE: Will the minister give me the assurance that as far as the exemption law of Saskatchewan is concerned it is not necessary that it be wiped out in order to make this operative?

Mr. RHODES: The exemption law of Saskatchewan had never been brought particularly to my attention. The first inkling I had of it, I believe, was when the statement in question was brought to my attention. I asked the chairman of the farm loan board if he had asked for it, and he said no. I do not know where the request came from.

Mr. VALLANCE: Will the minister still give us the same consideration?

Mr. RHODES: I certainly would have to inquire as to the Saskatchewan law itself; I am not familiar with it. I could not give my hon. friend any answer now.

Mr. ELLIOTT: What was the cost of administration, say in the last year, which makes the difference between the rate at which the government lends money to the board and the rate the farmer pays?

Mr. RHODES: The percentage or the actual cost?

Mr. ELLIOTT: What we have been referring to as the cost of administration.

Mr. RHODES: The actual cost of administration I am advised is one per cent. The other one-half of one per cent was intended to be used for a reserve. That is why in Doctor MacLean's evidence before the committee of the house he has always stated that he regarded one and one-half per cent as the minimum.

Mr. ELLIOTT: Can the minister state it in dollars per year?

Mr. RHODES: The actual amount last year was $124,000.

Mr. ELLIOTT: I think that must be substantially correct. I see here on page 10 an amount of $124,686; I take it that covers the whole cost of administration. The point I would like to make is that, for some time past we have been considering a measure which if I understood the Prime Minister correctly is to cost for administration about $7,000,000. I refer to the unemployment insurance bill.

Mr. HANBURY: I understood the total cost of that is estimated to be $14,000,000 to $15,000,000 including administration. The Prime Minister said $7,000,000 for administration.

Mr. ELLIOTT: I know the minister is sympathetic to the people affected by this

act. If the government is bearing anything like $7,000,000 as the cost of administration of the unemployment insurance measure, then I am greatly surprised to find this hesitation about bearing an expense of $124,686 to administer an act that means something, I hope and believe, to the farming community. There is no body of employed people in Canada to-day that are suffering as are the people engaged in farming. They will receive nothing under the unemployment insurance measure, and I submit that at least the cost of administration of this act should be borne by the government. I think more than that should be borne, but I do think the man who comes to borrow money on land should be in a position to know what rate per cent he has to pay.

Mr. RHODES: He does.

Mr. ELLIOTT: Well, I think he should know that it would not be more than four per cent. I discussed that phase the other day, and I am not going to add anything to what I said then.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. RHODES: Mr. Chairman, in the course of the afternoon the hon. member for South Battleford read a statement appearing in the press which indicated that certain changes had been made in the laws of Saskatchewan with respect to exemptions under chattel mortgages, which would indicate that the request had come from Ottawa. In replying to the hon. member I made the statement that I knew nothing of the transaction and that I was informed by the commissioner of the farm loan board that such a request had not been made. I had a deputation meet me at six o'clock, but after I had finished with them I met the commissioner of the farm loan board who advised me that he had not heard the question put by the hon. member for South Battleford and that inadvertently he had given me wrong information. It now transpires, according to the correspondence which he has placed in my hand, that on the first of December of last year the commissioner did wire the attorney general of Saskatchewan as follows:

Re your letter of twenty-seventh—

I understand that refers to the passing of legislation by the province of Saskatchewan which had for its object the bringing into being of a provincial board under the farm loan act.

—in view of fact that Saskatchewan is only province which provides for exemptions from seizure under chattel mortgage and in view of fact that conditions of loan require additional security on chattels, believe board will require legislation in your province which will make security taken on chattels in province of equal value to similar security taken in other provinces. Suggest for your consideration as a means of achieving this result that your legislation be drafted so as to enable farmer to waive his exemptions from seizure in giving chattel mortgage to the board.

That was signed by J. D. MacLean, and was followed on December 5 by a letter from the commissioner in which he cites the telegram I have just read. I shall read two or three paragraphs from that letter, as follows:

While the aggregate of loans that may be granted to any farmer under the provisions of the Canadian Farm Loan Act and the Canadian Farm Loan Act Amendment Act, 1934, is fixed at a maximum of two-thirds of the appraised value of the land and buildings taken as security for loan the board is also required under the terms of the legislation to take additional security on the borrower's live stock and other personal property for the advance made under section 9 of the amendment act. It was evidently the intention of parliament in view of the aggregate advances sanctioned being in excess of the normal mortgage loan advance that the security on land should be strengthened by the additional security afforded by a charge on live stock and other available personal property.

In view of the rather broad exemptions from seizure provided under the terms of your provincial laws it is apparent that the additional security afforded by a mortgage on live stock and equipment in your province would be of little additional value as security to the board. Since under the existing legislation in other provinces no exemptions from seizure under chattel mortgage can be claimed by the mortgagor it is at once evidence that the relative value of such security in Saskatchewan would be considerably less than similar security taken in other provinces.

For the above reasons I am of opinion that the suggested changes in legislation are advisable in order that the security taken on personal property would be of the same relative value to the board in your province as in other provinces.

So far as my knowledge at that time was concerned the facts were precisely as I stated them this afternoon. I have seen this correspondence for the first time, and have learned of it for the first time, within the last few minutes, so the statement made this afternoon was made in absolutely good faith. I desire, however, to make this correction in order that the facts may be properly before the committee.

Mr. ELLIOTT: When the committee took recess at six o'clock, Mr. Chairman, I was just referring to what it would mean to the farmers who have loans from the farm loan board to have the cost of administration borne by the dominion government. As I understand it there is approximately $9,900,000 out in loans as of March 31 last. In round figures we will say the loans amount to $10,000,000, and one per cent of that sum would be $100,000. Surely that is a mere bagatelle for the government to pay in view of the fact that under the legislation we were considering during most of last week the farmers will bear a very substantial share of the cost of administration which, according to the Prime Minister at page 941 of Hansard, will amount to approximately $7,000,000 annually. I utterly fail to see why it is not possible for the government to go even much further than the cost of administration in this case. I submit the farmer should not have to pay over four per cent. I am not objecting to the other proposition at all, that the country should bear the administration cost of the unemployment insurance measure, which is expected to amount to about $7,000,000, but I do say that surely it is a very moderate and most reasonable request from those representing the people in the rural districts to ask the government to bear the cost of this measure as well. I may say to my hon. friend that the farmers are suffering much more than the people who have employment, who are the people that will be affected by the unemployment insurance measure. Of course the man on the farm always has employment; the difference between him and some of the other employees is that frequently he gets very little if anything for his work. That is the condition at the present time. I hardly think my hon. friend meant to suggest that in making our request we were asking charity for the farmer.

Mr. RHODES: If I might make a correction, with my hon. friend's permission, I did not make any such statement. I merely cited the statement made by an hon. member of the house who is himself a farmer.

Mr. ELLIOTT: That the farmers did not want charity?

Mr. RHODES: I was not uttering it as my own statement.

Mr. ELLIOTT: Really I cannot see that it makes very much difference whether or not my hon. friend was quoting someone else as to the farmer not wanting charity; evidently my hon. friend gave the quotation with approval.

Mr. RHODES: No.

Mr. ELLIOTT: I say this is not charity. It is bare justice. Before we reach the amendments to which my hon. friend has referred I should like him to take this question into consideration. If money can be borrowed at three and a half per cent on long term loans, as my hon. friend suggests, and the cost of administering the $10,000,000 already on loan is only $124,000, that means practically one and a quarter per cent. One and a half per cent would amount to $150,000. Surely that is a very small amount to ask the government to bear in connection with this great industry. I wonder if what has been said regarding the tremendous difficulties under which the agriculturist is labouring is fully appreciated by hon. members representing constituencies in which the people are engaged in other industries. The figures I placed upon Hansard a few days ago serve to show that in 1933 the price of farm products was just a little more than fifty per cent of the price in 1930. That fact, coupled with the extra overhead, makes the difficulties of the farmer just that much greater. I believe it is time the government came to the rescue in some substantial way. I appreciate what the minister has said about what he is doing to lighten the burdens of the farmers, and I thank him for placing before the committee a memorandum of the amendments he proposes to move, one of which will change the definition of the word "farmer," while another would fix all accrued interest at the same rate. I realize those changes would be beneficial. I must say however that as the province of Ontario has not had any loans under the act a reduction in accrued interest will be of no advantage. The other changes mentioned by the minister really amount to very little if anything so far as helping the farmers is concerned. If there is to a real attempt to stem the tide of migration from the farm to the city, an action which is sorely needed, we must have more than the assistance offered by the amendments the minister has mentioned.

I again urge that the farmer who is borrowing money cannot afford to pay more than four per cent interest. It is no greater charity to reduce the rate the farmer has to pay from five per cent to four per cent than it was to reduce the interest rate the banks had to pay on savings accounts from three to two per cent. I am not objecting to the change, but simply make that observation in passing. I

believe the minister received sympathetically the suggestion for a change in the act whereby the farmer may at any time pay off any amount he may choose. Under the act as it now stands the board may make long term loans to farmers. If there were a clause making the provision I have suggested I believe the arrangement for long term loans could be overcome. At times money may come in from unexpected sources which may be worth to the farmer as much as he is paying to the farm loan board. I do believe some provision along that line should appear in all the mortgages, and would suggest an amendment along those lines.

I do not believe the minister has proposed any change in the scale of fees. I know that the truck or market gardener on the outskirts of a city working probably twenty-five acres of land is suffering a hardship if he has to pay the same fees on a small loan that the farmer on a much greater acreage has to pay for a larger loan. I do not wish to repeat any of the arguments I stressed a few days ago, but I believe the great question is that of deciding how much interest the farmer is going to have to pay. I hope that something may have enabled the minister to take a somewhat different view before he puts into effect the amendments he has suggested.

Mr. RHODES: Mr. Chairman, I shall deal first with the last point, lest I forget it. The act already provides that the farmer may pay at any time he wishes, and the regulations of the board amplify the point. It is a practice the board has always followed.

When referring to the amendments I believe I did not mention the provision for shorter term mortgages. If hon. members will recall they will realize that the whole set-up of the original act provided for long term loans. In the amendment we are providing a discretionary power enabling the board to take shorter term loans. When I use the expression "shorter term" I mean a five year or six year mortgage, rather than a twenty-two year or thirty-five year mortgage for which provision is made in the present act.

The hon. member has laid stress upon the point that the state should bear the cost of administration. Earlier in the proceedings I admitted that the point was debatable, and I believe my stand will indicate my view, namely that it is a fair subject for discussion. I do not believe I need enlarge upon the point, but I must say the hon. member should not refer to $124,000 as a mere bagatelle; neither should he have that sum in mind when he considers mortgages running up to $90,000,000, because inevitably while the cost of administration may not rise in exact ratio to the volume of loans, nevertheless it will tend to rise, and for that reason the figure the committee must have in mind is something larger.

The hon. member seems to hold the view that the farmer is called upon to bear a proportion of the general taxation in connection with other measures. That may be true, but I would suggest that the hon. member must bear in mind, if he wishes to be logical, that there are tens of thousands of farmers who do not have mortgages on their property, and if we wish to pursue the argument what we are saying is that the farmer who pays his way and has no mortgage must be subjected to additional taxation in respect of the farmer who has a mortgage. For that reason I do not think it behooves us to pursue that line of argument too far. One hon. gentleman suggested that inasmuch as the state bears the cost of administration under the Old Age Pension Act the farmer should receive a similar benefit under the present measure. I would draw to the attention of the committee however the fact that the farmer participates in the Old Age Pensions Act precisely as does any other man. For that reason it seems to me the argument is not consistent.

Mr. DONNELLY: What about unemployment insurance?

Mr. RHODES: There may be a point there; I am not resisting the argument. It may be sound public policy, bearing always in mind the question how far we should go in the matter of interest rates. According to the press reports—I have nothing official with respect to it—the Ontario government has announced that the farmer in Ontario will pay only four per cent on mortgages. If so, my hon. friends need not worry about the farmers of Ontario because they are going to get four per cent money anyway.

Mr. ELLIOTT: Four per cent on gilt edged loans; that is up to fifty per cent of the value of the land, and I think twenty per cent of the extra value as a result of buildings. But those are the only loans to which it applies, as I understand it.

Mr. RHODES: If that is so the offer is not worth a great deal, because gilt edged loans can take care of themselves.

Mr. ELLIOTT: How could gilt edged loans take care of themselves during the last two or three years?

Mr. RHODES: The answer is obvious. If any loan will take care of itself, it is the gilt edged loan, even in these days of stress. Notwithstanding the statement which has been made so sweepingly here that the farmer is not in a position to pay his mortgage, let me say that even with the rates of interest as they were, at six and a half per cent under the Farm Loan Act, plus contributions towards the principal by way of amortization, the farmers have paid their interest with remarkable regularlity. We have provinces where even under existing conditions the farmers have made their payments promptly to the extent of at least seventy-five per cent. Even in western Canada, where conditions are even more acute owing to circumstances which I need not discuss here, the payments have been made to a remarkable extent. But in stating that—

Mr. McPHEE: Mr. Chairman—

Mr. RHODES: I may say to my hon. friend from Yorkton that I happen to have the facts before me.

Mr. McPHEE: That is not what I had in mind. I was going to say, do not make the same mistake your leader made two or three years ago.

Mr. RHODES: I am obliged to my hon. friend for warning me. I have made plenty of mistakes in the past and I have no doubt that I shall make more in the future, but if I am making a mistake in stating what I believe to be a fact, I can assure my hon. friend that I shall make many of them. I was simply proceeding to disclose the facts from the record. If my hon. friend had allowed me to finish my sentence I was going on to say that I did not regard that as indicating that the farmer is not having a difficult time. Far from it. I know that in many instances he is carrying a burden that is too heavy, and I am just as keen as my hon. friend from Yorkton and my hon. friend from West Middlesex to see the burden of taxation lightened. But we must keep a sense of proportion. It is true that we are passing through difficult times, but we must not predicate our legislation upon the assumption that present conditions will always exist. I think we might make the mistake of attempting to do too much for the farmer, with the inevitable result that I endeavoured to indicate in my remarks at an earlier stage.

Having said so much, let me say to my hon. friend again that I am prepared to hear further discussion as to whether it is the part of wisdom to determine as a matter of policy that the whole cost of administration shall be borne by the state. It must be borne in mind that we should not only be involved in the cost of administration, but inevitably there are bound to be losses, and if there is not some reserve within the administration of the act itself, those losses in addition must be borne by the state.

Mr. ELLIOTT: In answer to one statement of the minister, in referring to the $90,000,000, may I point out that this act has been in operation for eight years, and as I understand the statement, the total amount loaned in that period is under $10,000,000; in the last year, 1933-34, they have loaned very little over half a million dollars, and the year before that the amount loaned was $1,276,000. So that unless there is some change in the lending under this act it will be a long time before there would be needed any sum that would approximate $90,000,000.

Then as to what the minister said with regard to gilt edged loans taking care of themselves, the regrettable feature about farming conditions at the present time is that gilt edged loans will not take care of themselves. I do not care how good a loan may be, you could go round the best sections of Ontario in the last few years seeking a farm loan and practically everybody would simply say: We are not taking farm loans. It did not make any difference whether it was for fifty or twenty per cent of the value of the farm. Perhaps I should not say that it did not make any difference, but the answer invariably would be simply:

We are not lending on farms at the present time. I quite agree with the minister that there are great differences in the kinds of security you may get, both real estate and the personal security of the mortgagor. I agree that there are some to whom it is not safe to lend any money, and that there are others to whom you could with safety lend perhaps a little more than fifty per cent on account of their particular ability to pay interest and part of the principal. But when my hon. friend refers to gilt edged farm loans taking care of themselves, that is not the condition that obtains at the present time, except with the farm loan board of Ontario, so far as I know. I am glad to hear the minister say that he is at least considering having the government bear the cost of administration, and I hope the government will go at least that far.

Mr. SPENCER: During the life of the old bill we had somewhat of a dual responsibility, and without a great deal of satisfaction. We

were governed here by a board of three trustees, and the finance minister was either chairman or ex officio a member of the board. Then in the provinces there was a farm board manager, plus three trustees, or whatever you like to call them. But under the new act we have a Canadian farm loan board made up of from three to five members, the finance minister not being one of them. We also have a chief executive officer for each province, or more than one, and he has three advisers. I would ask the minister to tell us whether the chief executive officer is to have anything to say at all in regard to the loans, or is he to be simply in the position of advising headquarters at Ottawa? Is Ottawa to have the final say or the whole say? The old act was very unsatisfactory because if the provincial board did not want to grant a loan they passed the buck to the Ottawa office, and then the Ottawa office passed it back to the province. The offices would seem to be about the same in both bills. I should like to know what the main difference is in the present bill and whether, in view of the fact that the Minister of Finance will not be connected with the board, he will be responsible as he is now to the House of Commons, to answer for the administration of the act.

Mr. RHODES: The Minister of Finance will be responsible and the government will be responsible to the same extent as they are responsible in connection with the administration of any board which functions under a minister. I did not emphasize the desirability of having the minister of finance removed from the board, but I thought I made it clear that it is quite impossible, in practice and experience, for the minister of finance to find time to attend the numerous sittings of the board and to deal with the various details that will come before it. He has about all he can do to deal with matters of administration without enlarging his activities and getting into actual details of administraton. It is not our desire in this bill to pass the buck, to use the common parlance which we all understand, whether or not we indulge in the game that gave rise to the expression. We want to get away from any such suggestion, and under the new set-up the provincial representative will be an officer of the board. The policy and final voice will rest with the central board at Ottawa, but in practice it will be found that the type of man chosen as provincial representative will be a person fully cognizant of the situation in each province and therefore in a position to advise the board with respect to the character of the intended borrower or the actual borrower as the case might be, and as to the nature of the security. It follows that if a man of the right type, one who carries the confidence of the board, is appointed, his judgment will go a very long way in determining whether an individual borrower shall or shall not secure a loan or, if he does secure it, as to the amount that will be secured. But I do not think it can be contended by any stretch of the imagination that under the circumstances the responsibility will not be that of the board; there can be no question of evading responsibility. The advisory board which it is intended to set up in the provinces is more an honorary board; it is not intended to be at all a salaried body, but a body of men who will carry, I think, the judgment of the people, outstanding men who have the opportunity and willingness to give something of their time to the public service. They are intended to be more largely a consultative body, to guide the provincial representative in dealing with matters affecting lending operations in the individual province.

Mr. McINTOSH: The chairman will be a paid official.

Mr. RHODES: Yes, and so will the provincial representative, who will be ex officio chairman.

Mr. McINTOSH: That is what I mean.

Mr. RHODES: That is what my hon. friend means.

Mr. SPENCER: But what difference will there be between the advisory board now in existence and those who will be called into consultation?

Mr. RHODES: If I did not make that point clear the fault is mine. The old provincial board was a body which was selected and appointed by the dominion government by order in council, but it was selected from the nominees of the province in question. In fact, one province, the name of which it is not necessary to mention, insisted that there should be no question of selection but that its nominees should be appointed, and they were; and as a result there has not been the same cooperation between the provincial boards and the federal board that ought to have obtained, giving rise to the suggestion of passing the buck, as my hon. friend from Battle River has said. That cannot arise under the new set-up because the provincial representative will be an officer of the federal board and there will be only one board. The advisory body may or may not be called in, but their services will be available should it

be thought desirable to seek this advice for the purpose of assisting the provincial representative.

Mr. ELLIOTT: I want to correct the minister on the answer he gave with regard to subsection (h) of section 7, which provides that any borrower may at any time repay the whole or any part of the amount. My thought was that the money might come in shortly after an interest period; it might come from some source not anticipated, and the borrower should have the right, instead of waiting until the end of the year and leaving that money in the savings bank at two per cent while interest was accumulating against him at the rate of five per cent, to repay when he received the money. He cannot do it under this subsection; he can only repay at the interest date. My suggestion was that the money was worth one hundred cents in the dollar at any time to the government, and under these circumstances no loss could possibly occur by receiving it, without waiting for the expiration of the remaining period of the year. There is another question I want to ask the minister and it applies particularly to Ontario. The province, as the agent of this government, ceases to function under this act; that is to say, loans are not being handled by the province.

Mr. RHODES: The Canadian Farm Loan Act has never operated in Ontario.

Mr. ELLIOTT: But if it were brought into effect in Ontario the government would be operating through a board set up by the province. Is not that the practice in the various other provinces?

Mr. RHODES: Under the old act the provincial board was appointed by the dominion government from a list of nominees submitted by the province, but the whole spirit of the new measure is different. We appoint a provincial representative who will not have any contact with the provincial government.

Mr. ELLIOTT: But where it has been in operation, then the provincial board disappears. Now this government makes the loan. What about the responsibility for the collection of loans that have been put out by the province up to the coming into effect of this measure?

Mr. RHODES: There never has been any loan by the province qua Canadian Farm Loan Act. The new board will be responsible for dealing with the collections at present existing under mortgages under the old farm loan board.

Mr. YOUNG: The discussion this afternoon and evening has centred largely around the question whether loans under this bill shall be made at cost or less than cost. I am heartily in accord with one statement made by the hon. member for West Middlesex, to the effect that much of the legislation this session has been grossly discriminatory against the farmer. But when he says that in compensation for that discrimination bare justice can be done the farmer by lowering the interest on those loans to the extent of one per cent by the government paying the cost of administration, I must disagree with him.

Mr. ELLIOTT: Then I must be right.

Mr. YOUNG: The reduction of one per cent will not be accepted by the farmers, so far as I can speak for them, as compensation for the discrimination that has prevailed against them in the legislation passed in this house.

Mr. ELLIOTT: Partial compensation.

Mr. YOUNG: Not even partial compensation. It should be remembered that a very small percentage of the farmers of Canada will be able to borrow money under this act, and if that small percentage are given their loans at a lower cost, that in itself will constitute an unfair discrimination against the great bulk of the farmers who will not be able to secure loans under this act.

Before I take my seat there is one question I would like to ask the minister. This afternoon before six o'clock the hon. member for South Battleford spoke to him in regard to legislation that was requested of the Saskatchewan legislature with a view to farmers waiving their exemptions. The minister stated that that was not the case. To-night he corrected that by stating that the farm loan board at Ottawa had written a letter to the province to the other effect. Which of those statements is going to prevail?

Mr. RHODES: I thought I had made the matter abundantly clear. Just before the house rose at six o'clock the statement which I then made stood because it was made not only with my knowledge so far as I was personally concerned, but after I had inquired of the farm loan commissioner who told me that there had been no such communication. After six o'clock I had a deputation meet me and following the deputation I met the commissioner, who stated he had not

understood the hon. member for South Battleford clearly and had given me wrong information. After eight o'clock I corrected it by reading a letter which the commissioner had written to the attorney general of Saskatchewan. Under the circumstances it is clear the last statement obtains, but the first statement was made in entire good faith and under the conditions I have outlined.

Sir EUGENE FISET: If I may judge by the correspondence I am receiving with regard to this act, the farmers of my district are exhibiting a certain amount of anxiety as to its ultimate application. If my information is correct, when the farm loan act was passed in 1927 the government of Quebec passed enabling legislation and under it a provincial board was formed. When the act was amended last year or two years ago, it was impossible for the province of Quebec to pass enabling legislation in view of the fact that in my province there is no such thing as mortgages on personal or chattel property. I understood the minister this afternoon to say that he was going to correct that situation and raise the amount of the loan from fifty to sixty per cent. I also understand that the five per cent capital subscribed by the province is to be returned. What the people who are writing me are anxious to know is this: if the provincial board is to be abolished, is the machinery provided under provincial agreement to disappear? Is the law as it exists at the present time in Quebec to become void? The minister is, I suppose, aware of the fact that over and above the one and one-half per cent that Quebec subscribes toward interest rate, the provincial government pays the entire cost of the legal work, that is the searching of titles as well as their establishment.

Mr. GOBEIL: No.

Sir EUGENE FISET: It is all very well to say no, but I looked up the act a little while ago, and I am right. Anyhow I am asking the minister if what I have stated is the fact, and if so will the coming into force of this act destroy the machinery that at present exists in Quebec for the purpose of helping the farmers not only to search their titles, but to establish their titles and their claims toward securing a loan of some kind? What other machinery will be substituted and to what extent will it replace the machinery that at present exists in Quebec?

Mr. RHODES: The provincial board will disappear. The question as to what portion, if any, of the personnel is to be continued is one rather for the farm loan board. They may or may not be; it depends entirely on the circumstances. So far as I am concerned there will be no decision on that question. The act will be available to the people of Quebec in its new form as fully as, we think more fully than it was in the old, because we are bringing in certain amendments which will widen its opportunity for use in that province. One of the cases in point was referred to by an hon. member. In communications I have had with the Premier of Quebec he has expressed every willingness to cooperate with us in our endeavour to make the act more widely operative in that province, and has met us very fairly in the matter of arranging machinery not so much under this act as under the Farmers' Creditors Arrangement Act, and I am very glad to certify to that in this public way.

My hon. friend is in error in saying that the province bears the cost of expenses. It does not. What it has done is to make for a lower scale of fees than obtains in ordinary circumstances, but the cost in Quebec as in all other provinces has been borne by the borrower himself.

Sir EUGENE FISET: Is it a fact that an officer was appointed, I think the hon member for Bellechasse, to study the titles, to help the farmers to prepare their cases and so forth? But I am not concerned so much with that; now that the minister has assured me that the facilities will exist in the future as they have done in the past, I am satisfied.

The minister did not answer one of my questions. I suppose there is in the act nothing that will prevent the province from advancing one and a half or two and a half or three and a half per cent in respect of interest if it wishes to do so.

Mr. RHODES: I did not hear that question, but there is in the act nothing that will prevent that; we will welcome it. There is no reason why the provinces should not do that if they so desire. Whatever the cost of administration will be, it is borne by the taxpayers of Canada and it does not matter very much whether they pay it provincially or through the dominion. The hon. member perhaps did not hear me the other day when we were in committee on the resolution. I then referred to the fact that the hon. member for Bellechasse had been appointed by the provincial government to assist the farmers in clearing their titles, and, as I said, we shall be very happy to avail ourselves of his services and to cooperate with him to the fullest possible extent.

Mr. COTNAM: I am sure the farmers of Ontario will welcome this legislation of the dominion government. Those of us who are from Ontario will remember what happened during the summer that is just gone. During the provincial election campaign the present Premier of Ontario came into my constituency and went on the platforms of constituencies throughout the length and breadth of this province—

Some hon. MEMBERS: Order.

Mr. COTNAM: I know my hon. friends opposite do not like to hear this, but they are going to hear it. He promised faithfully that if he were returned to power in Ontario, farm loans would be made under the provincial act to our farmers at an interest rate of five per cent.

An hon. MEMBER: Who said that?

Mr. COTNAM: The Premier of Ontario said that. He said that Mr. Henry promised in that election campaign that if he were returned to power he would reduce the rate of interest on farm loans from five and a half to five per cent. The present premier of Ontario—

An hon. MEMBER: What has that to do with the matter?

Mr. COTNAM: What has that to do with it? Ask the farmers of Ontario what it has to do with it.

Mr. MACKENZIE (Vancouver): They gave the answer.

Mr. COTNAM: The present premier of Ontario had said that if he were returned to power he would implement that promise and lend the farmers money at five per cent interest. My complaint is that from the time of the provincial election in Ontaio last July no loans of any kind have been made by the province to the farmers of Ontario.

Mr. HANBURY: There was no money left in the treasury.

Mr. COTNAM: There will not be by the time they are through with it. There was money in the treasury before they came into office.

Some hon. MEMBERS: Oh, oh.

Mr. COTNAM: And the farmers of Ontario were receiving loans right up to the date of the election.

Mr. ELLIOTT: It was mostly in the shape of an overdraft.

Mr. COTNAM: Well, perhaps my hon. friend knows more about it than I do. I am willing to accept his statement. But what I am protesting against is that there was an absolute breach of faith on the part of the Premier of Ontario when he made that promise to the farmers.

Mr. CAMPBELL: I rise to a point of order. We are discussing the Canadian Farm Loan Act.

Mr. COTNAM: But I am speaking for the farmers of Ontario and of my constituency, men who, unable to get a loan from private sources, found themselves in the embarrassing position of being unable to get one under the Ontario farm loan act. I congratulate the Minister of Finance for bringing in this legislation, under which Ontario farmers will at least receive favourable consideration.

Mr. HANBURY: During the election.

Mr. CAMPBELL: On the motion for introduction of this bill I stated in the first speech I had the privilege of making in this house, that it was a matter of surprise to me that we should be discussing the dealings of the agricultural development board in Ontario and not the farm loan board as proposed under that motion. I am surprised that the hon. member for North Renfrew should again enter into a discussion of what has happened in Ontario. Unfortunately he was not in his place when I replied to the hon. member for Dufferin-Simcoe, who later said he was very good to me, in that he did not interrupt me in my maiden speech; but it is amusing to note that he was not in the house at that time. That is not one of the courtesies of the house, because the Minister of Finance interrupted me, which it was quite his right to do.

The hon. member for North Renfrew says that the present Premier of Ontario stated during the provincial election that the interest rate on farm loans would be cut to five per cent. Let me remind him that before that election and during its course the interest rate in Ontario was five and a half per cent. During the election the former attorney general of the province announced that the rate would be cut to five per cent, and several members of the legislature and other candidates at that time intimated that if they were elected the interest rate would be cut below five per cent. As to what the present premier of the province said I am not going to argue, but I remind the hon. member for North Renfrew that the Minister of Agriculture of Ontario, speaking for the provincial government, told the people of Ontario that they would lend money to the farmers at an interest rate of four per cent, and that the province would look after any difference be-

tween what they had to pay to the federal farm loan board and what they received from the farmers. In other words they were going to lend the money to the farmers at four per cent, borrowing it from this government at whatever rate was set. I am sorry I did not have a chance to ask the Minister of Finance what the position of the Ontario farm loan board is to be in view of the statement in the speeech from the throne in Ontario that they are going to lend money at four per cent. We are asking this government, as some hon. members have already intimated, to lend the farmers of Canada money at four per cent.

Mr. COTNAM: The hon. gentleman apparently did not get the idea.

Mr. McINTOSH: If you have one.

Mr. COTNAM: The difficulty is, he talks about four or four and a half or five or five and a half per cent, but that does not mean anything to the farmer if he cannot get the money. The fact is that the province of Ontario have broken faith; the farmers have not been able to borrow a dollar since last July, and cannot get a dollar to-day. Farmer after farmer come into my office when I am home over the week ends complaining as to this and in many cases beseeching me to find them a source from which they can borrow money to help liquidate some of their obligations; but I have to tell them that owing to the action of the Ontario government there is no money available for them at the present time.

Mr. CAMPBELL The hon. gentleman in his first utterance to-night intimated that the people of Ontario were not able to borrow money. I did not answer that, because I felt it was not relevant to the present discussion. But since he has brought it up again I need only reiterate what I said here a few days ago on the introduction of this bill, that during November and December last seventy-two loans were made by the Ontario agricultural development board, totalling a little less than $140,000. They were made to men who wanted to buy stock for their farms, to put up better buildings, or perhaps to start a son in business—purposes for which the board was originally started. I can assure my hon. friend that further loans have been made since then. The agricultural development board is still in business, but it does not wish at this time to operate in opposition to the federal loan board. At present we are dealing with something that relates to the whole dominion. No doubt the farmers of Ontario wish to have money loaned to them at as low an interest rate as possible. Will the minister explain just what the position of the Ontario agricultural development board will be if the Ontario legislature passes legislation enabling this act to become operative in Ontario?

Mr. RHODES: I shall be very happy to do so, but perhaps my hon. friend did not know that it had been decided not to sit in committee after nine o'clock.

Mr. POULIOT: Mr. Speaker, on a point of order, I wish to correct a mistake I made this afternoon. I rose several times in an attempt to do so, for when I make a mistake I feel very sorry about it. I said the sum of $90,000,000, which is to be loaned by this government, represented one-half of one per cent of the decrease in the value of farm products during the last five years. My correction is that it may represent about five per cent of the losses sustained by the farmers in that period.

Progress reported.

SUPPLY—UNEMPLOYMENT RELIEF

AMENDMENT TO MOTION OF MINISTER OF FINANCE

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, before your honour leaves the chair in order that this house may resolve itself into committee of supply, with the permission of the house I desire to bring to the attention of all hon. members, irrespective of party, some very grave problems which to my mind and in my judgment deserve the utmost attention and consideration at this time. I refer to the widespread and terrible unemployment situation prevailing at the present time in the Dominion of Canada.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): I am very sorry indeed, sir, that my remarks in regard to a great human problem in the Dominion of Canada should provoke laughter from the hon. member for Inverness (Mr. Macdougall).

Mr. MACDOUGALL: I am thinking of your record.

Mr. MACKENZIE (Vancouver): I trust that this is not indicative of his real spirit of helpfulness in connection with the solution of this great problem confronting the Canadian people.

It is true, Mr. Speaker, that during the present session this house has been considering important measures of social reform, and I think it only fair and just to say that in the consideration of these reform measures there has been evinced a most commendable degree of cooperation by all sections of the house. At this time I am not permitted to discuss the measure of unemployment insurance which the house has been discussing both on second reading and in committee of the whole; neither am I permitted by the rules of the house to discuss in detail the legislation with regard to the eight hour day, that concerning minimum wages or the legislation concerning the general situation with regard to wages and hours. But I think I am permitted under the rules to say—and I think this was admitted by the Prime Minister (Mr. Bennett) himself only the other day—that the measures of reform we have had before us so far, and the measures of reform which have been brought to our attention by means of resolutions placed on the order paper, do not touch this vital, challenging problem of unemployment relief as we have that problem in Canada at the present time.

I should like to quote some figures, which I am sure will startle every hon. member of this house. This afternoon in response to a question which I had the honour to ask the administration opposite, I received some statistics dealing with the unemployment relief situation as it exists, practically at the present moment, throughout Canada. I intend to give the figures to the house, though I am sure it is not necessary in order that the house may be seized of the tremendous importance of this problem. The reply of the Superintendent General of Indian Affairs (Mr. Murphy) was that there were 23,187 on relief under the jurisdiction of that department. The reply from the Department of Pensions and National Health indicated that there were in receipt of relief administered by that department—which I may say is a great and merciful work, because it renders valuable assistance to pensioners and their dependents throughout the dominion, and at the present time I am only endeavouring to emphasize the magnitude of the problem which must be driven home with all possible force to every member of this house—some 8,912 pensioners, 6,684 wives of pensioners and 15,858 children. Then I come to the last department, the Department of Labour, and I find that at the present time there are on direct relief under the administration of that department 235,467 heads of families and 832,931 dependents of such heads of families, in addition to 38,927 individual relief cases covering one person only. That makes a total of 1,107,325 persons receiving direct relief under the Department of Labour, and if we add the number receiving other than direct relief the total is swelled to the appalling and astounding figure of 1,207,345. I think, sir, this reply to the question I asked is ample justification for bringing the matter to the attention of the ministry at the present time.

Now I wish to direct the attention of the house to a question I asked the Minister of Labour (Mr. Gordon) on the evening of February 19. When the house was in committee of supply, discussing the labour vote, I asked the minister a question, and in reading it now I am not being critical; I am putting this on the record so that we may have the record clear and may know exactly what is the attitude of the administration with respect to this all important and transcendent national problem. I asked:

> Is the Minister of Labour prepared to give any information in regard to his policy this year with reference to the unemployment situation or does he intend to discuss the matter under some other item?
>
> Mr. Gordon: That will be taken up under another item later.
>
> Mr. Mackenzie (Vancouver): Under which item of the estimates? We are passing now the labour vote, No. 14.
>
> Mr. Gordon: Yes, civil government.
>
> Mr. Mackenzie (Vancouver): Under which item shall we have an opportunity of discussing the government policy with respect to unemployment relief?
>
> Mr. Gordon: With respect to unemployment relief, the whole problem is under consideration by the government and has been and is constantly under consideration, and is more likely to be brought before parliament in the form of specific legislation than by way of items in the supply of the labour department.

Then my hon. friend from West Middlesex (Mr. Elliott) asked this further question:

> When is the unemployment policy likely to come before the house? A good many hon. members are very anxious to know what it is and when we may expect it.

The Minister of Labour replied:

> The policy or plan of immediate relief will be largely determined by the position in which the provinces find themselves and by the representations that they may make to the dominion government for help. Upon their representations will largely depend the course of the government with respect to assistance to them. With regard to works that are purely federal, the plans are under consideration by the government and are not yet in such shape that they can be submitted to the house.

Again, in reply to a further question, the minister said:

When that is made apparent, then I assume, if the dominion has to come to the aid of the provinces again for the coming year, appropriate legislation will, if it is found necessary, be submitted to the house for discussion and approval.

I asked a further question:

Do I understand the minister to suggest that the policy of this government is to be based entirely on the nature of the requests received from the various provincial governments in regard to the next fiscal year?

The answer was:

Largely, yes.

So, Mr. Speaker, I think I am justified in stating to the house at this time that the policy of the administration in regard to this all important question of national unemployment relief is a policy of waiting until they receive certain indefinite requests from the various provinces. As a government charged with the tremendous, comprehensive responsibility of administering the affairs of this dominion, at the present moment they have no policy whatever in dealing with these 1,207,000 people throughout the dominion who are on relief. As I mentioned before they admit it, using as their mouthpiece the Minister of Labour who is charged with the responsibility of administering this department.

During the course of the debate on the unemployment insurance bill the Prime Minister said he had some plans and some policies with respect to unemployment relief. This was in the nature of an obiter dictum, an aside, with respect to the question of unemployment insurance. All parties are here, all members of this House of Commons, in a humble endeavour and desire to assist our constituents and to assist in the general interests of the Dominion of Canada. If the Prime Minister has a plan or policy for dealing with this tremendous problem of unemployment, why does he not frankly promulgate it so that hon. members may discuss it? My personal view is that this is a matter which compels and challenges our attention The advocacy of the Liberal party in connection with this problem is that we are prepared to shelve the consideration of all other matters already before parliament or to be brought before parliament, and to discuss immediately this tremendous and emergent problem of unemployment.

In the time at my disposal I desire to discuss the matter from two viewpoints, first from the viewpoint of the policies which have been pursued by the administration opposite since the year 1930, and in the second place, if I may be permitted, from a constructive viewpoint I shall endeavour to deal with the magnitude and severity of our most compelling national problem.

The most astounding fact I have ever noted during my experience in this chamber is that in the very actuarial report submitted by the government opposite and written by the man who was their technical expert in connection with the preparation of the unemployment insurance bill now before this House of Commons there is the most scathing condemnation I have ever read of this administration and its policy since 1930. First I should like to read from a book written by the same gentleman, Mr. Hugh H. Wolfenden, entitled The Real Meaning of Social Insurance. Under the heading Trade Restrictions at pages 109 and 110 I find the following:

Under this heading, as contributory if not primary causes of unemployment, particularly in exporting countries, may be listed tariffs, immigration restrictions and other impediments to the free interchange of goods and workers. Probably more than in the case of any other cause of unemployment are these factors possible of amelioration only through the actions of enlightened statesmen.

Then I read, from the actuarial report, tables, if you please, Mr. Speaker, presented by the Prime Minister himself only a few days ago, said to be the actuarial basis for the legislation he gave us and submitted for the approval of the house and the country. Here is what the same actuarial expert states, Mr. Hugh H. Wolfenden, at page 10, paragraph 24:

There can be little doubt that the unprecedented rate of unemployment recently experienced is attributable largely to international impediments to the free and natural interchange of goods, services and workers by means of tariffs, quotas, embargoes, special duties, nationalistic legislation, subsidies, manipulation of exchange rates, and migration obstacles, and that the situation is being aggravated by the increasing tendencies within each country to abandon the doctrine of caveat emptor to proscribe selling prices (and so create artificial rather than free markets), to proscribe natural correctives, and to regulate earnings, prices, hours, production and markets and so render them unnatural and inflexible. These innumerable artificial devices have resulted in the widespread obstruction of distribution and exchange; they have produced in many countries an appearance of overproduction and in others a state of want which is still unrelieved; and it is now frequently suggested that this situation should be dealt with by restricting production as well as distribution, rather than by freeing the channels of distribution and thus encouraging exchange and trade.

That is indeed a most complete history of Toryism in Canada since 1930. May I just for a few moments recapitulate under the

proper headings this scathing and complete condemnation of the Tory policy from 1930 to 1935. What does he say?

An hon. MEMBER: Platform speech.

Mr. MACKENZIE (Vancouver): It is a House of Commons speech, giving a record of your maladministration. It would be advisable for all of us to maintain our good humour, because the record will go on in any case.

Mr. POULIOT: The old order has gone; the old man will go.

Mr. MACKENZIE (Vancouver): Who has offered the greatest impediment to the free and natural exchange of goods and services? Who has been one of the greatest sinners in world politics? The Conservative party of Canada, under the narrow self-centred nationalistic policy of "Canada first," have led the march of the world for higher tariffs. Let me just quote—

Mr. DURANLEAU: Pretty fair.

Mr. MACKENZIE (Vancouver): Not like the indifferent, nasal, inaudible remarks of the Minister of Marine. What has the Conservative party done by means of party legislation? They are a marvellous example of an administration which has set up the most artificial barricades in the history of the Dominion of Canada. They have raised ramparts of ruin all around our Canadian land. Yes, they have set the greatest example of tariff raising in our history. I have seen an article valued at $183 which was charged tariffs and excise taxes amounting to $141, or 77¼ per cent. I have seen invoices of cheaper suitings carrying tariff charges of 87 per cent. I have seen invoices of silk from Great Britain carrying tariff charges of 73 per cent. I have seen invoices for blankets with charges of 50 per cent; silks from France with charges of 66 per cent, and silks from Japan with charges of 244 per cent. All this has happened in the past four and a half years.

Now we come to quotas. One of the bad features about this administration has been the quota system. Under the empire agreements our exportations are to a great extent regulated by quotas existing on some products in the British Isles. Then what about embargoes? I wonder how many hon. members remember the holy days of 1930 and 1931 when the Prime Minister rose in righteous wrath and indignation and condemned that ungodly country known as Russia. In sympathy he placed embargoes on certain articles of importation from Russia. Now, in an excess of oleaginous hypocrisy, he allows certain goods to be imported from Russia and he even supports—this great enthusiast of 1931—he even supports the entry of unholy Russia to the league of nations. As a matter of fact, I believe she takes our seat on the international labour conference.

And subsidies, Mr. Speaker, the bonusing of wheat and other iniquitous policies of the kind, were promulgated and pursued by this administration. Subsidies on wheat were largely withdrawn. Then, there was the manipulation of exchange rates. Yes, we remember the dumping duty against the British pound. Then, after promoting a system of bonusing wheat production this government the next year, with its customary inconsistency, enforced not a bonus but a restriction on the acreage of wheat in Canada.

With regard to all these policies so strongly condemned by Mr. Wolfenden in his memorable pamphlet, the Prime Minister of Canada and the then Tory party—heaven only knows what it could be called now—sowed the wind and the Canadian nation is now reaping the whirlwind.

Let us lay the basis clearly and concisely by referring to the promises made. I hope I am not transgressing the rules of the house which forbid useless or vain reiteration in debate. Undoubtedly these promises have on many occasions been placed on Hansard. But they are so remarkable, Mr. Speaker, so all embracing, so comprehensive, they illustrate so splendidly what the Prime Minister promised to the Dominion of Canada, that I think I might be permitted to place upon the record once more just a meagre percentage of those promises so that the house can recall the fact that in 1930 the present Prime Minister made most definite and emphatic declarations with regard to his unemployment policy. Speaking in Calgary in June, 1930, he said:

> 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 benefit unless they are willing to work and my duty is to provide work to do.

No doles in 1930, but in this year of our Lord, 1935, 1,207,000 on the dole! In the same campaign, later on the Prime Minister said:

> It must be remembered that promises with respect to policies are matters of profound importance to the Canadian pepole, and the policies we promised to put into effect we propose to put into effect immediately.

At Edmonton, another splendid city of the west, in June, 1930, he said this:

> 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.

At Victoria, the beautiful capital of the most beautiful province of Canada, British Columbia, speaking on June 17, 1930, he said:

Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

If that statement was appropriate in 1930, with 100,000 unemployed in Canada at that time, I ask this house is it not equally true in 1935 when we have over 600,000 unemployed, with unemployment increased sixfold after an expenditure, including all government agencies of public operations, of over $400,000,000 to meet the terrible challenge of that situation? In Calgary, his own city, in June, 1930, the Prime Minister said:

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

In Calgary again:

This problem has ceased to be local but has become national in its importance.

In Montreal during the same election:

Unemployment has become a national problem in Canada.

I want hon. members to remember that word "national," because in 1932 he went once again to Calgary and there we witnessed a most tremendous conversion, almost as remarkable as the conversion we witnessed in the Prime Minister's radio broadcasts last January. It has been said by a great Canadian that Saul was converted on the way to Damascus and Bennett was converted on the way to defeat.

Let me very briefly give the record of the Tory measures commencing with the special session which met here on September 8, 1930. Speaking on September 9, 1930, the Prime Minister said—and this was after we had met in this house, after he had been elected and after we were here 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.

Not in 1931, not in 1932, not in 1933 or 1934 or 1935, but "immediately," and that was the Prime Minister's promise made on the floor of this house on the second day after the house met in the special session of 1930. Again, at page 39 of Hansard of that special session, the Prime Minister said this:

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.

Then again, introducing his resolution on unemployment in this house on September 10, he said:

We do believe that this resolution which I am now submitting ... combined with the measures which will be subsequently submitted—

And what were those measures? Raising the tariff on over two hundred articles, and mostly against the motherland, on the eve of the imperial economic conference of 1930.

We do believe that this resolution which I am now submitting ... combined with the measures which will be subsequently submitted to this house ... will go far to relieve the situation.

Again:

It will be observed that the present number—

He was speaking of the number of the unemployed:

—is something over 117,000, and it is believed that that number will approximate 177,000 during the winter.

It will be within the recollection of the house that at that special session a bill was introduced and passed voting $20,000,000 for works and undertakings of a supposedly useful nature under the supervision of the federal government. I want to lay down four observations made from this side of the house at that time so that I can prove that from session to session there has been a complete consistency in the attitude which we took on all the unemployment measures since 1930.

We asked in the first place for a national audit by the auditor general of the funds expended; second, for detailed estimates of the expenditures to be laid before the house; third, for the appropriate procedure by the committee of supply; fourth, for a national relief commission, representing all the great interests in the state, to administer the whole system of unemployment relief in the Dominion of Canada.

I come now to the regular session of 1931, and I look at the words contained in the speech from the throne in that year. The Prime Minister put these words into the mouth of His Excellency:

The operation of the Unemployment Relief Act of 1930 has proved equally beneficial.

Then, sir, during the session of 1931 we witnessed repeated and emphatic requests from all the opposition, from members to my far left and from ourselves, that the government deal with this question of unemployment, and I wish to place on Hansard once again what took place. Three days before the session prorogued, on July 29,

1931, the Prime Minister took up the last government order upon the order paper for 1931, and moved this resolution:

That it is expedient to bring in a measure to confer certain powers upon the governor in council in respect to unemployment and farm relief; and for the maintenance of peace, order and good government in all parts of Canada; and to authorize the governor in council to expend for the said purposes out of the consolidated revenue fund such sums as may from time to time be necessary.

May I recapitulate what took place during that session? On March 20 the hon. member for North Winnipeg (Mr. Heaps) asked the Minister of Labour if any special measures were contemplated to cope with the unemployment situation. The Prime Minister refused to answer that question. On March 23 the then member for Kenora-Rainy River, Hon. Peter Heenan, asked what the government intended to do with respect to the relief of unemployment. The Prime Minister said:

The question can stand.

On March 31 the hon. member for North Winnipeg moved the adjournment of the house to discuss a matter of urgent public importance, namely, the acute distress arising from unemployment.

I am just reminded, Mr. Speaker, that according to the rule I have only ten minutes left, and I shall therefore give notice of my amendment so that I shall be quite in order. I intend to move the following amendment:

That all the words after the word "That" in the motion be struck out, and the following substituted therefor:

This house regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

I proceed now with the record. The hon. member for North Winnipeg on March 31, as I say, moved the adjournment of the house to discuss a matter of urgent public importance, namely the acute distress arising from unemployment. After a lengthy discussion the motion was ruled out of order.

On April 17 the then member for Kenora-Rainy River, Hon. Peter Heenan, brought up the question again, and failing to get an answer moved the adjournment of the house. That motion was defeated by a vote 82 to 56. On April 24 the hon. member for Bow River (Mr. Garland) asked whether the government intended to call a dominion unemployment conference, and the Prime Minister answered:

The hon. member will be advised when the event happens, if it does happen.

On May 25 the hon. member for Comox-Alberni (M. Neill) brought to the attention of the Minister of Labour the desperate unemployment situation prevailing in the city of Nanaimo. The Minister of Labour said the question was purely provincial. On May 26, on a motion to go into supply, the house discussed the urgent necessity of holding a conference with the provinces. No member of the government took part in that debate. On June 16 the leader of the opposition, in the budget debate, urged a conference with the provinces to deal with unemployment. No attention whatever was paid by the government to that suggestion. On June 29 Hon. Peter Heenan asked for a statement of government policy on unemployment, and the Prime Minister replied:

At an appropriate time a statement will be made. The primary duty with respect to unemployment does not rest with the federal government.

On June 30 after three or four days' discussion, the hon. member for Willow Bunch (Mr. Donnelly) directed attention to the appalling conditions prevailing in rural Saskatchewan, and the Prime Minister said:

The primary responsibility rests with the municipalities and with the provinces.

On July 9 the hon. member for Winnipeg North Centre (Mr. Woodsworth) asked when the government would introduce legislation on unemployment, and the Prime Minister said that legislation would be introduced when the business of the house had been practically disposed of. That resolution, moved by the Prime Minister on behalf of the government three days before parliament was prorogued in 1931, consisted of three parts: In the first place, that it was expedient to bring in a measure to confer certain powers on the governor in council in respect of unemployment relief; second, some measures with respect to farm relief; and third, a measure to confer certain powers on the governor in council for the maintenance of peace, order and good government throughout the dominion. Our position in regard to this matter was made abundantly clear. We proposed in the first place that he should ask the house to vote a certain sum for unemployment relief, a certain sum for farm relief, and to indicate what he thought necessary for the preservation of peace, order and good government in Canada. We refused at that time, as

we have done every session since, to surrender the rights of parliament with respect to control over expenditures; we would not dispense at one fell swoop with the entire authority of this house and give to the government a blanket authority to deal with this trinity of measures which I have mentioned, namely, the unemployment situation, the farm relief situation and the preservation of peace, order and good government in the dominion.

That brings me to the first session of 1932, opened on February 4 of that year. The speech from the throne contained these words:

Conditions are gradually improving—

They were still improving in 1932.

This period of trial has shown the Canadian situation to be fundamentaly sound.

We moved an amendment on going into supply on February 23, 1932. It was moved by Mr. Heenan that the measures introduced by the government were inadequate and ineffective to deal with unemployment. By that time it had become quite manifest that the legislation of 1931 was a complete and dismal failure, and while debate was in progress the following resolution appeared on the order paper:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" and substituting the word "May" therefor.

This was much worse than the legislation of 1931. I want to make it clear to the members of this house that whereas the peace, order and good government provisions were contained in the legislation of 1931, they were only suggested by the administration to come into effect after parliament had risen and the members had gone home. But when they introduced the legislation of 1932, when they attempted to revive the dead statute embodied in that resolution, they asked for complete authority and jurisdiction to deal with all questions involving peace, order and good government, while this parliament was sitting and while the members of this house were seated supinely here, not knowing what the cabinet council were doing with respect to peace, order and good government. That I characterize as the most audacious, the most amazing, the most barefaced piece of legislation introduced by the Prime Minister in a free parliament. It was a complete, a profound and a convincing demonstration of the impotence, the incompetence and the incapacity of the administration to deal with this great question of unemployment in the dominion.

And now we come to the legislation of March 8, 1932. We again stated our position in clear and unmistakable terms. We expressed our willingness to vote the sums necessary, and in committee we made our position once more abundantly clear. We objected to the powers of parliament and the resources of the treasury being handed over to the keeping of any cabinet in the dominion. It was a virtual dictatorship, despotism of the rankest kind set up in Canada. Let me now remind the house what was done under these despotic powers which this cabinet assumed under the authority of peace, order and good government.

First, the government prohibited the exportation of gold except under licence and by the chartered banks. That was October 19, 1931. In the second place, on new year's eve, December 31, the government in a great hurry put through another order in council enabling the life insurance companies in Canada to place a false valuation on their investments; they were enabled to take the valuation of June 30, 1931 instead of December 31, 1931. Thirdly, on October 27, 1931 there was passed an order in council, P.C. 2693, which virtually amended the Bank Act, authorizing the banks to make all government returns with regard to securities in a way other than that prescribed by the Bank Act. In other respects the procedure for amending the Bank Act is clearly laid down and any amendments are considered by a committee of this house every ten years; but this cabinet, this cabal, amended the Bank Act by this order in council, making a revaluation of banking securities. In the fourth place, on December 16 an order in council was passed, P.C. 3087, on the recommendation of the Minister of Justice (Mr. Guthrie) increasing the strength of the Royal Canadian Mounted Police by 300 men, with an added expenditure of $274,135. The government increased the armed forces of the crown, even though they were a police force, without a single reference to the authority of parliament. Never had there been such a flouting of the supremacy of parliament as took place in that order in council increasing the numbers of the mounted police by 300 and imposing on the taxpayers of the country, without consulting parliament, an additional obligation of $274,000.

On September 12, 1931, the government passed order in council P.C. 2238, guaranteeing repayment to the chartered banks of amounts of money advanced the Canadian Cooperative Wheat Producers Limited, and this house and the country do not yet know to what extent the taxpayers of Canada are obligated by this venture in gambling, which was authorized, subsidized and supported by the government. Again, there was another guarantee

of $60,000,000 to the Canadian Pacific Railway and, if you please, during the session of 1933, while this house was actually sitting, these secret negotiations went on between the banks of this dominion and the government. And we were never apprised of one single iota of the negotiations. Worse than that, three days before parliament prorogued, a letter was written by the Prime Minister guaranteeing $60,000,000 of the taxpayers' money to support a private corporation. In the committee on banking and commerce a year ago, as will be found in the sworn evidence which appears in the bluebooks, we asked the general manager of the Bank of Montreal whether that bank would have renewed a loan of $20,000,000 for another year, and the answer was in the affirmative. We asked the same gentlemen whether the other banks of Canada would have looked after the remaining $17,519,000 odd for the period of another year, the money which this corporation required to take care of its immediate obligations, and the answer was again in the affirmative. There was therefore no immediate financial necessity for the guarantee, and yet this government, without consulting parliament, without consulting a single member guaranteed $60,000,000 of the people's money to the Canadian Pacific Railway under the guise of unemployment relief, while hundreds of thousands of people were on the verge of starvation throughout the dominion and the municipalities and provinces were nearing bankruptcy.

I come now to the second session of 1932. We met on October 6 of that year and the speech from the throne contained the following:

> The problem of unemployment continues to receive the anxious attention of my ministers. Under the powers granted them at the last session of parliament, they have been able to develop further, in cooperation with the provinces and municipalities, a scheme of direct relief to be put into operation during the autumn and winter months to the extent required by prevailing conditions. Plans for the reestablishment of the unemployed in various parts of the country are in preparation and will become operative as soon as, in the opinion of my ministers, the public expenditure incident thereto will be productive of commensurate benefits.

This was a complete abandonment of the policies theretofore pursued, and an open avowal of the dole system by way of unemployment relief. "Plans for the reestablishment of the unemployed"—what did that mean? In the light of subsequent events, it meant absolutely nothing.

Then the Prime Minister went to Calgary, his own constituency, and he spoke there on September 6 of the same year. Let us recall the promises. He said repeatedly in 1930 that this was no longer a local or provincial question; that it was a national one. Listen to what he said in Calgary on September 6, 1932:

> So far as I am concerned the administration of relief does not lie with the dominion government. I am not prepared to scrap the constitution—

What a remarkable change between 1932 and 1935!

> —and say the primary responsibility can be shifted to the dominion government.
>
> I have not yet reached the point where I think the dominion government is better equipped to deal with these matters than either the provinces or the municipalities.

The problem was national in 1930! It was provincial and local in 1932. The Canadian Pacific had received their guarantee of $60,000,000.

I now come to November 21, 1932, when the hon. member for North Winnipeg asked for a committee or commission to study this question, stating that at that time the number of unemployed was 750,000. The only encouragement he received was to be ruled out of order.

On the house meeting again after the Christmas recess on February 22, 1933, the Minister of Labour, whose legislation was expiring on March 31, introduced the following resolution:

> That it is expedient to introduce a measure to continue in force the provisions of the Relief Act, 1932, until the 31st of March, 1934.

In other words, the only policy of this administration was one of repeating and repeating the same old legislation from year to year. In the first place public works were mixed up with relief; then there was the straight dole, and now one year continuing the doleful legislation of another. On March 3, 1933, a further amendment was moved by one of the ministers after the resolution was in committee, as follows:

> Provided, however, that the amount to be paid for direct relief for the fiscal year ending the 31st of March, 1934, shall not exceed the sum of $20,000,000.

During the debate we discovered that the amount expended under the 1930 legislation was $17,987,000; on public works, around $14,000,000, and in direct relief, about $3,500,000. Under the legislation of 1931 and 1932 the dominion government had subscribed the sum of $41,000,000. Then the government, still wobbling, pursuing with faltering footsteps their erratic course, had to move even a second

amendment to their own resolution in committee. The Minister of Railways (Mr. Manion) on March 20, 1933, moved:

And that provision be made for accepting securities from the provinces for such loans, advances, guarantees, etc., as may be advanced by the government, and that provision also be made for the maintenance of peace, order and good government throughout Canada.

In other words, the clause with respect to peace, order and good government which, after the opposition by those on this side of the house, had been abandoned by the administration in the previous year, was reinserted in the legislation of 1933 on a resolution moved by the Minister of Railways on March 23 of that year.

May I be pardoned by the house for quoting some of the observations I made in that debate? Speaking on this resolution on March 20, 1933, I said:

Considering the emergent conditions that prevail in many of our Canadian cities, surely the time has arrived for the government of the day, in a large national and constructive way, to envision and comprehend their entire problem as a nation-wide problem, a Canadian problem, in its very essence, and as far as I personally am concerned, if the government deals with it as a national problem I shall be only too glad to render any assistance I can. It is a national problem, Mr. Chairman, because our municipalities are practically all bankrupt. They are out of resources, and I am afraid that the policies of the administration during the last few years have very largely been driving them to that condition because they have been compelled to live beyond their resources to face the present emergent situation. So I am appealing to the Minister of Labour, particularly in view of the very grave conditions that exist in the province of British Columbia and all through the Canadian west, both in the industrial centres and on many of the farms in western Canada, to deal with this question in a national way, not in any piecemeal fashion, providing one scale of relief here and another there, not with the present lack of coordination and uniformity throughout the dominion; but let us have a large national constructive scheme with federal control and direction of the unemployment situation, and then with cooperation between all parties in this house who want to see real remedies applied and real relief obtained, I believe that we shall be able to do something to meet the unemployment situation in this dominion.

The speech from the throne in 1934 contained only two paragraphs dealing with the situation, as follows:

Improved world conditions—

Improvement every year—improvement in 1930; improving still more in 1931; improving still further in 1933, and then in 1934:

Improved world conditions are reflected in Canada by expanding trade, improving revenues, and a more confident outlook upon the future. My government propose further to promote employment by expenditures on essential public works throughout the dominion.

I wish to mention nine specific points which were emphasized by us at the time in regard to the resolution moved by the Minister of Labour and in regard to the policy pursued by this administration:

1. A dominion-provincial conference to consider the financial relations of the provinces and the dominion.

2. That unemployment was Canada's most urgent national problem, and strongly advocated a representative national commission to coordinate all national effort and to cooperate with the provinces and municipalities in the administration of unemployment relief.

3. That there should be an audit by the federal government of all expenditure of public moneys.

4. That all moneys for relief purposes should be voted for specific purposes and voted by parliament.

5. We opposed voting public moneys in lump sums and we opposed the blank cheque —a government policy which subsequently resulted in a colossal wastage of public money.

6. We opposed giving to the executive the power of legislating by order in council with respect to peace, order and good government.

7. We advocated as the only real basis on which recovery could be hoped for, the introduction of policies which would serve to provide employment by reviving industry and trade and which would make for the liberation of trade both external and internal.

8. We advocated the development of the basic industries as a way of furnishing employment.

9. We advocated measures for the control of credits and the democratization of industry.

On February 5, 1934, the hon. member for North Winnipeg moved a further resolution emphasizing the importance of the question of purchasing power, the necessity of a reduction in the hours of labour and the necessity for the more equitable distribution of wealth. That resolution was carried by the house, but no concrete action was taken with respect thereto.

The Minister of Labour on March 22, 1934, moved the following:

That it is expedient to introduce a measure respecting relief measures generally similar in terms to the Relief Act, 1933, but which also makes provision for payment of federal proportion of delayed relief accounts, if any, which may be received subsequent to the date of the expiration of said act.

In other words the dole was continued On March 26, 1934, during the debate on the second reading of the bill, very grave irregularities were brought to light as the result of the first report of the auditor general respecting the administration of relief funds in the provinces. We moved an amendment on the third reading of the bill again protesting against taking away from parliament its complete control over public expenditures.

That brings me to the 1935 session. Since then we have had the Prime Minister's broadcasts, and what has happened so far during the present session. May I be permitted to refer in the meantime to just one sentence used by the Prime Minister in his broadcast, when he said, "The world is in tragic circumstances; the signs of recovery are few and doubtful." Yet when I go back and look at the expressions of opinion by hon. ministers since 1930, I find the following. Speaking on October 1, 1930, the Prime Minister said, "that the old order of things had passed.' In western Canada on new year's eve—December 31, 1930—at Regina, he said:

I am satisfied we will be able to look back on the year 1931 with satisfaction....

I want you to believe that we are on the highroad to success....

Our minister to Japan is at this hour on his way to China to discuss with the government of that great country the purchase of millions of bushels of our wheat.

Then he came back to Ottawa, and on April 28, 1931, he is reported as having said:

We can look forward to the future with confidence, convinced that the great pathway of peace and prosperity has never appeared so attractive ... so attractive that no words of mine can describe it.

Mr. HANBURY: Humbug!

Mr. MACKENZIE (Vancouver): Two weeks later, on May 11, 1931, speaking in Montreal, he said:

I think there are some evidences that we have reached the dead level of depression and that the movement from now on will be upward.

Five months later, in Montreal, on October 15, 1931, he said:

The storm may not have spent itself, but the worst is over.

They are very fond of storms. At Ottawa on new year's day, January 1, 1932, he said:

In my belief the worst is over. Canada has survived the crisis.

In Ottawa, on dominion day, 1932:

We face the future with confidence.

[Mr. I. Mackenzie.]

In Toronto, in August, 1932:

I think there are signs of improvement on the horizon, evidences that we have reached the dead level of this depression.

Once again the dear old dead level. In London, England, on December 21, 1932:

Next year will be the beginning of a new era of prosperity.

Then at sea, on board the Empress of Britain, August 28, 1933:

I trust all may enjoy happiness, opportunity to work as we return to prosperity, and contentment under a kindly providence in this great land we call our home.

And again in Montreal, on September 1, 1933:

In the dominion, particularly, I note that conditions are becoming better.

And my hon. friend the Minister of Railways (Mr. Manion), on September 3, 1933, expressed his satisfaction in Canada's leadership. He said:

With our Prime Minister once more at the helm—

Once again the ship and the storm.

—after his strenuous efforts in London, we can go forward in confidence that all will soon be well again.

Then the Prime Minister, speaking before the Canadian Gas Association—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): —on September 19, 1933, said:

Some people look and wonder whither we are moving. I have never had the slightest doubt as to where we were going. I am one of those sturdy individualists who believe we are moving upward and onward.

Again in Winnipeg on October 10, 1933:

We may, I think, confidently look forward to better days. Slow, yes, but none the less sure.

And then in Manitoba on the same day:

Canada is standing on the threshold of recovery.

At Lethbridge on October 17, 1933:

Throughout the world there is sound reason for the belief the great depression is ended and the slow move back to normal conditions is a tangible fact, with Canada well in the forefront.

And then again in Ottawa on November 8, 1933:

In all the factors that go to make up prosperity there are distinct signs of upward improvement, that we have passed the worst of this great crisis and we are steadily climbing the hill to ultimate prosperity.

At Montreal on June 8, 1934, from the Canadian Press:

Expressing his belief that Canada was standing on the threshold of a prosperity greater than she had ever known, Prime Minister R. B. Bennett told an audience here that at least one out of every twelve Canadian men, women and children were on a payroll on May 1st.

Yet when the time came for the broadcast the right hon. gentleman said the world was in tragic circumstances, although year after year from 1930 until 1935 we had nothing but prosperity around the corner, even in the utterances of my good friend the Minister of Railways.

Now, sir, I come to one or two other paragraphs in these radio addresses which brought such wonderful confidence and satisfaction to my esteemed and venerable friend the Secretary of State (Mr. Cahan):

I promised I would end unemployment. That was a definite undertaking. By it I stand.

This is five years afterwards:

Unemployment in Canada is one of the consequences of the awful and unprecedented depression.

Yet every year from 1930 prosperity was just around the corner. Again he said:

When the system is reformed and in full operation again there will be work for all.

That is much worse than the former promises. In 1930 he said he would end unemployment immediately or perish in the attempt. But now, five years later, he is going to end it—when? When the system is reformed. Something mythical and nebulous and uncertain and vague.

When the system is reformed and in full operation again there will be work for all.

Then again he said:

If a man is able and willing to work but can get no work, provision for his security must be made in a decent way.

I completely agree with that sentiment, but why then is no policy brought down by this administration? He said:

We are to put in a permanent system of sound and scientific insurance against unemployment.

I am in favour of that, but I venture this prediction, that not only will the unemployment insurance legislation do nothing for the unemployed in Canada, but it will be many weary months before it will do anything whatever even for the limited number of the employed who will come under its provisions. So that for the problem which I am discussing to-night this measure is entirely inadequate and useless.

Then the Prime Minister said, "the present Old Age Pensions Act is unscientific and obsolete." Was it so in 1930 when the Prime Minister went all across Canada saying he would nationalize the old age pensions scheme and pay one hundred per cent of the cost, as he said in New Brunswick and all through the maritime provinces? Now after five years of his own administration as a result of further broken promises he finds it unscientific and obsolete. I am proud to say that in regard to old age pensions the Liberal party led the way in England and in Canada. In England under Lloyd George in 1911 —I happened to be in the old land at that time—we pioneered in old age pensions legislation. Again in Canada the Liberal party pioneered in old age pensions, and I am proud to say that my province of British Columbia under the Liberal government of good old John Oliver was the first province of Canada to place government old age pensions in operation.

Then he said, "Health, accident and sickness insurance must be developed in the same way." Again I know that under the rules of order I cannot discuss it in detail, but I refer the house to part IV of the unemployment insurance bill of this year.

I come now to this session and the speech from the throne, in which we have these words:

I welcome you at a time when our country stands upon the threshold of a new era of prosperity.

It is the same story year after year. In every year from 1930 right up to 1935; "our country upon the threshold of a new era of prosperity"!—and 1,207,000 people on relief to-day out of a population of 10,500,000. Again:

Employment is increasing. Our trade is expanding. The national revenues are higher. These evidences of recovery attest the wisdom and efficacy of the measures you have taken.

My honoured leader, speaking in the debate on the address on January 21, said as reported at page 59 of Hansard:

Let us therefore, between now and that time, take as first measures those dealing with the problem of unemployment and social reform and give them our undivided attention from day to day so that, working together, we may, if at all possible produce something in the way of a solution. I suggest that to that end this debate be permitted to end very speedily after the Prime Minister and the leader of the third party have spoken, unless there is something controversial in what they say. At any rate, so far as the members of the Liberal opposition are concerned, we are prepared in order to deal with the question of unemployment to end this discussion at once.

And on January 28, as reported at page 253 of Hansard, the right hon. leader of the opposition moved the following amendment to the motion to go into supply:

That all the words in the motion after the word "that" be struck out and the following substituted therefor:

"This house is of the opinion that the immediate consideration of present conditions of unemployment and the introduction of measures of social and industrial reform should not be delayed or postponed by a consideration of supply in advance of the consideration of government policies with respect to unemployment and the introduction of measures with respect to social and industrial reform."

Again on February 5, on the motion of the Minister of Finance (Mr. Rhodes) to go into supply, the leader of the opposition moved, as reported on page 495 of Hansard:

That all the words after the word "that" in the motion be struck out, and the following substituted therefor:

"That this house is of the opinion that when it is moved into committee of supply priority should be given consideration of the estimates of the Department of Labour in order that opportunity may be afforded for an immediate discussion and consideration of conditions of unemployment and distress at present existing in all parts of Canada, and of the measures required to cope therewith."

That amendment was ruled out of order by Your Honour. But I want to put on Hansard another quotation from the address of my right hon. leader on that occasion:

We feel very strongly that any program of social and industrial reform should not be permitted to sidetrack an immediate consideration of present problems in our country.

That is the attitude of the official opposition. It is in that spirit and in furtherance of the remarks contained in the address of my leader on that occasion that I offer the amendment which it is my intention to submit befor I resume my seat.

Then we come to the questions which we asked of the Minister of Labour the other evening in this house. With these questions I began my survey of what has taken place in this house during the last five years, when the hon. member for West Middlesex (Mr. Elliott) asked questions and I asked questions myself as to what the policy of this administration is. When I asked him in regard to what was the policy of this administration with respect to these 1,207,000 people on relief in Canada to-night, the only reply I received was that the policy would have to await the requests received from the provinces with respect to this great national emergency.

Now, Mr. Speaker, I wish to deal rather briefly with the world aspect of this question, and I should like to place on Hansard one or two figures with respect to the volume of industrial production in the world, which in 1933 was 12½ per cent greater than in 1932, while the production of foodstuffs remained the same. In the same period the production of raw materials increased by ten per cent, while the same rate prevailed in 1934. The importance of these figures lies in the fact that in 1933 there were three times as many unemployed as in 1929, but by the summer of 1934 there were only twice as many in all the world while in Canada we had six times as many in 1934 under the policies pursued by the administration opposite. Yet, according to Sir Arthur Salter, one of the world's greatest authorities on this question, in the last issue of the Yale Review, the world figures were only twice as great in 1934 as in 1929. International trade has increased only slightly since 1933, and while we may be coming slowly up the slope we are by no means half way up so far, and I think for many weary months to come we must continue to pursue the toilsome ascent from the depths.

Seen in the large the problem of relief transcends the care of our present relief load. It involves the question of whether to-day's relief cases are to become semi-permanent, and whether their numbers are to be augmented by new recruits who cannot find opportunity for self support. It involves something else, the absorption of our unemployed into the ranks of private industry. If our industrial organization cannot provide a living for these men by giving them jobs then it must support them, and ultimately that cost will come back on industry in taxes. The government may be able to stimulate absorption by an extensive construction program, but I am somewhat in doubt as to the value of construction programs when they are carried on entirely by governmental agencies. We have to develop a new type of public service for the unemployed; we may have to organize those whom industry cannot now absorb into production for use units. I am sure my hon. friends in the corner will welcome this suggestion. When ordinary industry cannot absorb labour for ordinary production for profit then the nation may have to step in and take up the gap between the efforts of private enterprise and direct relief for those unemployable, and subsidize industries where the wages would not be such as would compete with private enterprise, in order to do two things, first to afford a decent subsistence, and second to develop work of substantial use to the state which will employ these men.

There are four reasons in the main for this problem, because after all, even with this

depression the problem may be a semi-permanent one, in spite of the fact that Canada is a new country. First there are the unemployable, who are not able to render effective service in our industrial order, through misfortunes of their own or misfortunes of the system. They present a special problem of their own. Then in our industrial order, with its rapidly changing adjustments, workers may find themselves attached to inefficient or decaying industries, and may have to look for other jobs. Seasonal unemployment adds to this total. Third, the codes of many organizations to-day in Canada, as in other nations, make it almost impossible to provide gainful occupations for many of our youth, and to my mind that is one of the greatest problems. Fourth, business cycles of unemployment are inevitable due to several causes, and plans should be laid in advance for periods of depression.

To combat these factors what can one advocate? In the first place there is unemployment and social insurance, with which we have been wrestling during the present session. Second, to meet unemployment and to look after those who cannot be absorbed by an insurance scheme, other measures must be devised combining useful results with continued subsistence. Third, there are the programs of public construction. To my mind, Mr. Speaker, the main thing is that new employment and new purchasing power can be created by encouraging business enterprise in an expanding production and distribution of goods and services. Business itself must be willing to outlaw those forms of competition which are socially destructive, and it must give due shares to labour, the consumer, to management and to capital. It must be content with business profits and must not search unduly after illusory and unsocial speculative gains. It must be willing to endure that minimum of government control which the general interest requires. In short, shall I say, there must be a new partnership between business and politics in Canada for the sake of the common man. Governments need the assistance of constructive and productive business, and I think business needs the guidance and cooperation of governments, not bludgeoning, not dragooning, not conscripting, but in a real alliance responsive to the promptings of the social conscience.

May I therefore, Mr. Speaker, summarize the situation in Canada as it exists at the present moment. First, after an expenditure of about $400,000,000 in five years we have some 600,000 unemployed and over 1,000,000 on relief. Second, we have over 20,000 single homeless men in the national defence camps scattered throughout the Dominion of Canada. Third, the amounts expended under the special public works appropriation of 1934 have not materially improved the situation. Fourth, very largely as a result of the burdens imposed upon them by relief legislation, many of our municipalities are actually bankrupt and some of our provincial governments are on the verge of bankruptcy, especially in western Canada. Fifth, with such a situation confronting us, one month before the close of the present fiscal year the government says through its Minister of Labour that it has no policy at present with which to meet the situation.

My hon. friends may ask what I advocate, and in the remainder of what I have to say I wish to make it very clear that I am giving my personal views only, and not necessarily the views of any party or group. First, in addition to a national relief commission representative of all interests to administer relief in Canada, which we have advocated for the last four or five years, I suggest that we should have immediately at our disposal a complete census and registration of those now unemployed, with a view to ascertaining the numbers permanently unemployable, and special measures for their care. Second, I want to advocate the handling of this entire problem as one of national emergency, even if only for a limited time, until this depression is over. Third, I advocate the undertaking by the government of public works on a limited scale in which the greater proportion of the appropriation shall go to labour rather than to supplies or equipment. Fourth, I advocate cooperation with the construction industry and other business for privately directed works and undertakings, their financing to be assisted by the government, which shall be completely reimbursed for any advances made. Fifth, I suggest adequate, immediate and effective measures to increase our domestic and foreign trade. Sixth, I suggest the reduction of rates of interest on all outstanding obligations in the Dominion of Canada. Seventh, I suggest a national conversion scheme reducing the interest on all internal debt to two and a half per cent. Eighth, I advocate immediate negotiations with outside nations where our external bonds are held, for a mutually satisfactory scheme for the reduction of interest on external bonds. Ninth, I suggest the increase of our currency by $430,000,000, which is scientifically justifiable by the appreciation of gold values, to be used for the reduction of our national debt;

not to be used under any pretence in the financing of temporary schemes by the administration during the current year, but to be used for the reduction of our public debt so that thereafter we may finance at low rates of interest any public works or undertakings that we may desire to carry on. Tenth, I advocate that the national budget be strictly balanced. Eleventh, I suggest a financial conference with the provinces to consider the advisability of establishing a national loan board to coordinate, if possible, the investment activities of governments without commingling their financial responsibilities and to consider the exact and precise financial situation of all governmental agencies in Canada.

My last recommendation is in regard to ex-service men. For the permanently unemployable I suggest the extension of the principle of the War Veterans' Allowance Act, reducing the age to fifty-five. if only for a limited period. For the partially unemployable I suggest physical reestablishment for a limited period and land settlement on small holdings. For the employable I advocate the scientific placement of men in industry.

Such then, Mr. Speaker, is the problem and such are some of the suggested remedies. No matter what attention this house has given during this session to the so called reform measures; no matter what attention we have given unemployment insurance; no matter what attention we have given or may give hours of work legislation, I say that we shall be recreant to our trust if during this session we do not take steps to meet this urgent national situation. I say the eight hour day bill will do nothing to lessen unemployment in the Dominion of Canada. You must reduce the total hours of labour in one complete week before you can tackle what is essentially the problem of unemployment. So far as I am concerned I am in favour of reducing the hours of labour substantially below the forty-eight hour week. In certain industries, both from the national and the provincial viewpoint, there must be certain exemptions from the hours of labour brought about by mutual consent of the employers and employees. This provision exists in the legislation in British Columbia, and once again may I say that I believe the British Columbia legislation respecting hours of labour is the best in Canada.

I have reviewed the entire situation from 1930 to 1935. Once again I should like to impress upon the government the necessity for enunciating to this House of Commons without further delay its policy with respect to unemployment, distress and prevailing hardship. In that spirit, seconded by the hon. member for West Lambton (Mr. Gray) I beg to move the following amendment:

That all the words after the word "That" in the motion be struck out, and the following substituted therefor:

This house regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

I should like to conclude my observations by quoting the final words of a great book, Industry and Humanity—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): Well, hon. members opposite may laugh. I wonder if they will laugh at the concluding words of that great book. This is not Andrew MacLean's book at all. The man who wrote this book does not announce his social insurance program over the radio or his public works program in the movies, between The Iron Duke and Mickey Mouse. I want to see if there is any man across the way, any Tory—I do not know what they are called now—any follower of the new deal who will not support the sentiments expressed in these concluding words in the book Industry and Humanity to which I have referred:

Is it too much to believe that—

And this is the spirit of those who are distressed and in poverty throughout Canada.

Is it too much to believe that having witnessed humanity pass through its Gethsemane, having seen its agony in its garden of fears, having beheld its crucifixion upon the cross of militarism, labour and capital will yet bring to a disconsolate and brokenhearted world the one hope that is theirs alone to bring, and that in the acceptance of the principles which hold deliverance from the scourges that beset mankind they will roll back the stone from the door of the world's sepulchre to-day and give to humanity the promise of its resurrection to a more abundant life.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, allow me to congratulate this Lochinvar from the west who comes here as the new leader of the Liberal party. I have listened with much interest to what the hon. member for Vancouver Centre (Mr. Mackenzie) has had to say. He has made an omnibus speech in which he talked about everything; he has gone through the events of the last few years and given his views upon them. Then, finally, he puts forward the platform upon which he as the leader

of the Liberal party will run in the next election. I am not finding any fault, but I would say to the hon. member that the amendment he has moved was placed in my hands only after he had half completed his speech. No notice was given, although undoubtedly if we are to judge from all the papers in front of him he has been incubating this speech for the last week or two. Evidently he thought it wiser not to give notice of his motion to hon. members on this side, hoping that we could not make any reply to his extraordinary observations.

The hon. gentleman has moved an amendment respecting unemployment measures, but he has offered no constructive suggestion. Although he has made certain statements, surely he will realize that the condition of unemployment is world wide and known to all. I take it that the amendment was moved in the present instance so that the hon. member would have the opportunity to speak more than forty minutes. Possibly we would have given him that opportunity anyway, even if he had not made the motion he did. In his observations he has indicated his views with regard to the record of the Conservative party for the last five years. The whole world has been going through very trying times. What have the party opposite done to try to help the government? Nothing whatever. They have criticized, found fault and blocked —well, I shall not use the term "blocked," because it may not be parliamentary. I will repeat, however, that they have criticized measures which afterwards they supported. Why can the Liberal party not be frank and support the measures brought before this chamber, if they believe such measures to be in the best interests of the country? Why do they not offer their wholehearted support of the measures instead of in the first instance finding fault and offering nothing but criticism, and in the end approving them?

In his amendment the hon. member has offered no constructive suggestions. All people in all parts of the world recognize that unemployment is a world wide condition, and if the hon. member has in his mind any method by which he believes it could be solved I should like him to make his motion accordingly. Let us have some concrete motion from the hon. member stating what he believes should be done. Instead of that he offers an amendment in which he states that—

> Despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament the present administration after nearly five years of office has not yet submitted to parliament any definite or effective policy—

I submit that no country in the world has come through the depression better than Canada, and the truth of that statement has been recognized in other countries. The delegates to the great world gathering which met in London last year considered Canada one of the countries which had come through the depression better than any other, and they did not know how we had accomplished it. The hon. member should get information about the conditions in other countries before he begins to gloat over the number receiving relief in Canada.

I notice the hon. member has taken great pains to exaggerate the figures as to unemployment, having included people who may have received only an odd meal or two. The unemployment statistics include the unemployed, their families, and those who receive only a certain amount of relief, some of them only a very small amount. But no; that would not suit his purpose—he tries to make the numbers as great as possible. It may be all right for him to try to hammer the Conservative government without reason, but is it a good thing for Canada that he should put forward those figures in as exaggerated a manner as possible?

Mr. MACKENZIE (Vancouver): On a point of order, Mr. Speaker, I was quoting the figures I received from the government this afternoon.

Sir GEORGE PERLEY: I have already explained that there are families of unemployed and there are those receiving partial relief, perhaps only a meal or two, and they are all included in the figures given by the hon. member.

Mr. MACKENZIE (Vancouver): I presented all the figures fairly.

Sir GEORGE PERLEY: Then he says his party has suggested that we should have had a national relief commission. Well, Mr. Speaker, I can hardly visualize how such a commission could have worked throughout the country except through the local authorities. I do not think a commission here in Ottawa or in any city in Canada could handle the relief problems in the various sections of the country as well as the people of the provinces and of the municipalities themselves. The hon. gentleman says they should be under federal control and direction. He knows, as everyone in the house knows, that this question of relief is in the first instance one for the provincial governments, and it has been so agreed by everyone.

I may tell you, Mr. Speaker, that this year the dominion government made a definite

suggestion to the government of Saskatchewan that the drought area in southern Saskatchewan be taken over by the dominion government and administered without any expense to the province, but the Saskatchewan government did not see fit to accept the suggestion. I mention this to indicate to the hon. gentleman that he would have to get the provinces to change their minds before we could make any arrangement for a national relief commission, even if it were feasible to do so. My own opinion is that a national relief commission could not successfully administer relief all over this country, because the matter is, in any event, a local one which has to be dealt with by the provinces and the municipalities.

The hon. gentleman also says that we led the world in higher tariffs. Did he never hear of a country called the United States of America, I wonder? As I understand it, that is the country that has led in higher tariffs and has done so for the last forty or fifty years. All we did was to protect ourselves and our workmen against the competition of the United States with their high tariff, and I may say to my hon. friend that had we not done that we should have had a great many more unemployed in this country than we have had. Any action we have taken in that respect has all been to the good.

In the absence of the Prime Minister (Mr. Bennett) who unfortunately has a cold today, I would ask you, Mr. Speaker, whether there is any member of the house who does not admire the courage of the Right Hon. R. B. Bennett? I do not care whether he be Liberal or Conservative, on which side of the house he may sit, whether he agrees with the Prime Minister's policies or not, hon. members must admire his courage and the fortitude with which he has carried on during these four or five years. I wonder whether during the time the Liberals were in power the Prime Minister of that day showed any courage in dealing with various problems, or whether he simply drifted with the tide, and in the years of plenty, with abounding revenues, and everything prosperous—

Some hon. MEMBERS: Hurrah!

Sir GEORGE PERLEY: I agree, but the Liberals had no more to do with it than anybody else. It was due to world conditions, and instead of taking advantage of those prosperous times and laying aside some of the abounding revenues and making preparations for a rainy day, they spent all the money they had and left us with a lot of obligations to fulfil which had been arranged for or before the election.

[Sir George Perley.]

The hon. member for Vancouver Centre has quoted some remarks of the Liberal leader and others to the effect that the government should go on with their reform legislation and their relief legislation without letting anything else interfere with it. I ask in all fairness whether there has ever been a session of this house when the business of the country has been as well prepared and gone on with as expeditiously as it has this session. We have been sitting here for only five or six weeks, and much of the legislation promised by the Prime Minister has already been put on the order paper. Some of these measures it is impossible to bring forward until a report has been made by the mass buying commission, which I understand is now in course of preparation and will be presented before long. So, Mr. Speaker, I say that any suggestion from the hon. gentleman or anyone else that this government has not been ready with its legislation or has not gone on as fast as possible with the program promised by the Prime Minister is making a statement which is not based upon fact. The Prime Minister promised measures of reform. Some of them are already before the house, and others will be brought down as soon as possible, but some of them, as I have just said, must await the report of the mass buying commission. I say to the hon. gentleman with all humility that as far as this government is concerned there has been no delay whatever, and I repeat that there has been no session when the business of the house was better prepared or was proceeded with more expeditiously than has been the case during the present session.

The amendment proposed by the hon. gentleman on a motion to go into supply was framed, I take it, largely for the purpose of giving him an opportunity to speak more than forty minutes. It is a motion that it is impossible for the government to accept, because it is not based on any facts that he has brought forward this evening, nor has the hon. gentleman submitted to the house any proposal or suggestion for a better solution of the unemployment problem than has been afforded by this government in its legislation of the last four years. The problem of unemployment has received and is receiving consideration every day from the government, and must do so as anyone can understand; and any measures which are to be submitted to parliament in connection with unemployment relief will be brought down in due course. Therefore, Mr. Speaker, I would ask the house to reject the motion of the hon. gentleman.

Mr. R. W. GRAY (West Lambton): Mr Speaker, I appreciate the difficulty that faced the acting Prime Minister (Sir George Perley) when he attempted to reply to the very brilliant speech of my colleague from Vancouver Centre (Mr. Mackenzie). In view of the fact that his leader, the Prime Minister (Mr. Bennett) has not announced any definite policy with respect to this important matter of unemployment, and that we have not been able to receive one from the Minister of Labour (Mr. Gordon), it is not difficult to understand why the acting Prime Minister should simply fall back on what has been the policy of the present government since its inception and say, as the right hon. gentleman did in his closing remarks, that "the question is being considered." I say to you, sir, that it has been considered. I have no doubt that from the very first day this government took office until this hour in the fifth year of their life, and the last I hope, they have been and are still considering this problem. We have no quarrel with the acting Prime Minister when he states that his leader has courage; we agree that he has. But one is reminded of the story of the engineer who, seeing a buffalo bull charging his engine, said "I admire your courage but I cannot admire your judgment." The right hon. gentleman points out to-night the situation that various other countries are facing and points to the fact that Canada has led in this respect. But I would remind him and other hon. members of this house of the fact that in 1930 in reply to members on this side the Prime Minister said that the concern of his party and of the people of Canada was Canada and not the United States or any other country.

I offer no apologies for taking part in this debate. Here we are in 1935 waiting for some definite pronouncement on the part of the government as to how they propose to solve this problem. In 1931 and again in 1932 we were told, as we were told the other night by the Minister of Labour, that the government was waiting to see what the provinces would propose. That might have been all right in 1931 or even in the second session of 1932; but after five years, for the Minister of Labour to come into this house and say that he is waiting to see what the provinces will propose indicates a lack of judgment and of any particular program on the part of the government to solve the problem. In my opinion the time is opportune, indeed it is long overdue, to discuss this problem because during the years this government has been in office it has deliberately delayed the discussion of unemployment relief until the dying days of the session. This is true of every session. In 1930 they held over our heads the fact that the Prime Minister would not go to the imperial conference unless we rushed the legislation. In 1931 the house began its sittings on March 12 and it was not until July 29, or four days before prorogation, that legislation was introduced in connection with unemployment. In 1931 the act was to expire on March 1, but on March 8 it was extended for two months. In 1933 the Unemployment and Farm Relief Act was introduced on March 21, leaving seven days in which to discuss it. In 1934 the act expired on March 31 and the new act was introduced on March 22, and the house adjourned on March 28 until after Easter, leaving only about four days to discuss the measure, including the time necessary for the Senate to pass it.

I submit therefore that we have a right to bring this matter as forcibly as possibly to the attention of the government in the hope that they will appreciate the problem and take some definite action. I do not wish to weary the house by a repetition of what was promised in connection with unemployment, but it is necessary for one to go back to the election of 1930 in order to bring before the house and the country the steps or lack of steps taken by the government to solve the problem.

On July 10, 1930, speaking at Moncton, the present Prime Minister said:

> 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?

At Victoria on June 17 he said:

> 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 he spoke in Quebec as follows:

> 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.

Let me give a brief review of the legislation that has been passed. In 1930, at the special session, some tariff changes were introduced, and the Prime Minister and other speakers on the other side declared that these changes would result in increased employment in

Canada. Well, looking back over the years that have passed since that time, one cannot help thinking that the $20,000,000 then voted for relief at that particular session was but a smoke screen for the raising of the tariff to the height at which it was increased at that special session. Speaking at that time the Prime Minister told us that the numbers of unemployed in Canada were 117,000 as at that date and that it was possible that they might increase during the winter to 177,000. But he told us with all the force at his command that these tariff changes would bring about the employment of at least 25,000 men and thus reduce the number of unemployed. The ex-Minister of Trade and Commerce (Mr. Stevens) at that time an earnest admirer of his leader, in whom he said, in 1930, he had the greatest confidence—he has changed his mind somewhat in the intervening years, as a great many other people in this dominion have done—made the statement that there would be an even greater number employed than the estimate of the Prime Minister would indicate. On page 319 of Hansard of September 17, 1930, he said:

> 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.

How far this estimate of the ex-Minister of Trade and Commerce was justified can be judged by the figures which I will subsequently submit. It is now common knowledge, I think, that the changes which were made in the tariff in 1930, again in 1931 and in subsequent years, aggravated if they did not create the sweatshop labour conditions which we have recently witnessed. We find in the speech from the throne in 1931 that these words are put into his excellency's mouth:

> My government has explored the origins of our difficulties and is firmly of the belief that many of our problems do not arise out of world wide depression, but are antecedent to it; and that domestic factors have also largely determined the degree of economic distress from which this country is suffering.

What were the antecedent conditions we find indicated by the next paragraph in which, true to Conservative policy, it is stated that what needed changing was the tariff; and we were assured that the changes brought about in 1930 and those that would be introduced in 1931 would be the cure-all for the evils from which the country was suffering. In the session of 1932, which opened on February 4, we find this statement:

> The provisions made at the last session of parliament for unemployment and farm relief are proving effective.

Proving effective? Why, just three months prior to that the late Senator Gideon Robertson, at that time Minister of Labour, had given out the statement that in September, 1931, there were 530,000 out of work in Canada. In fairness one should point out that it was also stated at that time that of the 530,000, some 150,000 were agriculturists in the west, but even at that we have to start the winter of 1931 with the startling figure of some 400,000 souls in Canada out of work. During the winter of 1931-32 there was put into operation a public works program in co-operation with the municipalities and the provinces. That this government recognized late in 1931 that this was a national problem is borne out by the fact that the order in council passed after the first unemployment relief act stated as follows:

> P.C. 2043
>
> Whereas unemployment is primarily a municipal and provincial responsibility, it has been so general throughout Canada as to constitute a national concern.

I ask hon. members to note that, because as we trace the years down, we shall find a decided change on the part of the government. Encouraged by the dominion government, without guidance and without the relief commission suggested by my right hon. leader at the time and at subsequent sessions in order that there might be cooperation not only between the dominion and the provinces but among the dominion, the provinces and the municipalities, the municipalities, seeing what seemed to them at that time to be easy money, launched into an orgy of spending which in many cases has left them almost bankrupt. During the session of 1931-32, municipalities built everything from the town pump at $200 right up to one project on which the city of Toronto spent some $2,500,000. Some two hundred and thirty-six municipalities in Ontario alone took advantage of what appeared to them to be easy money. They were paying only fifty per cent of the cost, but they forgot that even if it was only fifty per cent, there would be a day of reckoning. In Ontario, under the encouragement of the government of the day and without any guidance, as I have said, we spent some $20,000,000 of which the municipalities paid fifty per cent. In spite of that, in spite of these public expenditures the total number taking direct relief in January, 1932, was 741,000, and in May of that year there were still 569,000 on direct relief. Too late the government recognized that this particular

scheme of giving money to the provinces and through them to the municipalities was a mistake, and we find for the first and perhaps the only time that even the present Prime Minister, speaking in London immediately after the session of 1932, was just a little pessimistic, when one considers the character of the right hon. gentleman. Speaking in London on June 1, 1932, as reported in the press of the following day, the right hon. gentleman had this to say:

It has been said that during the election campaign I promised to cure unemployment Under normal conditions I think I would have done so.

Does this sound like the man who was prepared to blast his way through all our troubles and difficulties? There was a doubt in his mind. Were the Prime Minister and his government called upon to cure the unemployment situation in normal times? Yet we find him stating in June, 1932, that he thought he might have cured unemployment had normal times returned. Did the right hon. gentleman at that moment have any constructive suggestion to make with respect to the cure of unemployment? No; instead he delivered one of his famous lectures, of which he is so fond, to the Canadian people. He told us that the Canadian people stood in need of the discipline which the depression was bringing. These were his words:

The amazing prosperity of the years before 1930 cost the people of Canada much in the loss of discipline. Luxuries became necessities. Men and women yielded to the mad caprices of the moment. Every man had to have every luxury. People would buy nothing made in Canada if they could buy from some place else. To-day self-reliance and restraint are needed to meet the crisis in the nation's life.

I am sure the house will agree with me that the average farmer, workingman or citizen did not spend his money in riotous living and does not deserve the punishment he has been taking during these years from 1930 to 1935. What nonsense to say that the people of Canada would not buy in this country if they could buy somewhere else when we find that between 1923 and 1930 industrial production mounted more than double. Yet the Prime Minister continues to give these lectures to the people of Canada. Does it lighten the load, does it help the people to bear the burden under which they are suffering to-day to be told, as we were on Thursday last, that our children are healthier because of the food that the authorities buy for them? Does it help to lighten the load to know that the food for which people have to line up, taking not even cash but voucher tickets to some grocer or butcher, is going to make their children a little healthier, or that the lives of the wives who are wearing dresses that have been turned into the relief quarters will be lengthened a little by the clothes they are wearing? Those were the remarks the Prime Minister made as late as Thursday of last week.

The session of 1932-33 was opened on October 7, 1932, with a direct admission on the part of the Prime Minister that the scheme of public works in this country had been abandoned and we were to go upon this dole which he abhorred, which shocked the national conscience, and in fact an unorganized dole at that. Unemployment was mounting by leaps and bounds, those on direct relief at that particular time, February, 1933, numbering 1,395,961. Yet at the opening of the session of 1934, we find in the speech from the throne these words:

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

What those obligations are, we find when we read Hansard of April 10, 1934. On that day the hon. member for West Edmonton (Mr. Stewart) was recalling to the Prime Minister his famous speech in Calgary on June 13, 1930, in which he stated—and I shall read not more than a line or two:

I will not permit this country with my voice or vote to ever become committed to the dole system

Then the hon. member completed the paragraph in which the Prime Minister stated that he would give work to all. The hon. member for West Edmonton continued:

I do not think I need to read any more, but I have here a great many statements of a similar character that were made by the right hon. gentleman. I say, as I have said on former occasions, that I assumed the right hon. gentleman meant what he said when he used those words.

Mr. Bennett: So he did. I said it was a national problem, and so it was.

Mr. Stewart (Edmonton): A national problem, and you were going to provide work.

Mr. Bennett: Certainly.

Mr. Stewart (Edmonton): And not doles.

Mr. Bennett: We did not provide the doles. The provinces provide the doles.

What an amazing answer! What an amazing admission by the Prime Minister of this country!

We are assisting the provinces to discharge their constitutional obligations. We do not provide the doles, the provinces provide the doles.

Let me tell you the situation as we have had it in Ontario during 1934. Immediately following the interprovincial conference in

January of last year the then Premier of Ontario, returning to Toronto, announced the substitution of a big public works program for direct relief, to be put into effect as rapidly as possible. That is the report in the Mail and Empire of Saturday, January 20, 1934—

... We in Ontario will carry on as before with the assurance that the dominion government will cooperate to the fullest extent.

With the assurance that the dominion would cooperate with the Ontario government during 1934, an assurance which has not yet been denied by the Prime Minister or the Minister of Labour (Mr. Gordon), the Premier of Ontario launched into a tremendous road building program in May, 1934. New roads were opened, old roads were widened, ditches were filled, in a frantic effort to win the election in Ontario; and now after some $8,000,000 has been spent throughout the counties of Ontario the dominion government refuse to contribute its share and the province and the municipalities of Ontario are left holding the bag.

I say further in connection with Ontario, and I assume the situation is similar in other provinces, that they have been left in a state of uncertainty during these years in view of the fact that the Prime Minister and the government have frequently threatened to cut off relief at any moment. There has been no set program, nothing to enable the provinces to say: This is the program; this is the policy of the dominion government, and we are prepared to march forward in cooperation with it. Yet during all these years, as pointed out by the hon. member for Vancouver Centre, enormous sums have been spent by this government; as of March 28, 1934, guarantees of some $96,000,000, loans to the provinces of some $52,000,000, and cash under relief measures amounting to $115,000,000. Having spent these enormous sums I claim that my right hon. leader was correct when he urged even at the very first session that there should be an audit of these various expenditures. One has only to look at the report of the auditor general, not only of last year but of this year, in which he complains that he has been understaffed, that the scope of his examinations has been limited because he has not been given the required assistance, and that large sums of money had been over-contributed by the dominion, as indicated on page 25 of his report. From the report of unemployment commissioner Hereford, we find that he has a staff of only some thirty-five to administer this huge matter, and when one considers that only a few days ago in the course of discussion on the unemployment insurance measure we heard that there might be a commission with a staff of three or four thousand people, one realizes exactly how little the government have really studied this situation. They are prepared now, and I am not finding any fault with it, to set up an economic council; yet when we urged them repeatedly to set up an unemployment commission they steadfastly refused.

In spite of all that has been said with respect to these figures—and I have shown how they have mounted—what has happened? As the hon. member for Vancouver Centre has shown, in spite of all these things the Prime Minister has been going up and down this country and from one end to the other telling the people of Canada that we are on the road to prosperity. I propose to give only one or two quotations. Speaking at Montreal on May 11, 1931, he said:

I think there are some evidences that we have reached the dead level of depression and that the movement from now on will be upward.

At Ottawa on January 31, 1932, in a new year's message, he said:

In my belief the worst is over. Canada has survived the crisis, and the same spirit and the same strength which have withstood the stress and strain of the past year will carry us over all intervening difficulties into an era of prosperity hitherto unknown.

In December, 1932, at London, he said:

Next year will see the beginning of an era of prosperity.

At Winnipeg on October 10, 1933, he said:

Canada is standing on the threshold of recovery.

On December 3, 1933, he told an audience at Sherbrooke, Quebec:

There are distinct evidences the catastrophe has ended. The dead rock bottom of the depression has been reached.

Then as late as the summer of 1934 we find him telling a Montreal audience:

I believe we have passed and left behind us the great depression we encountered in 1929 and 1930.... We are standing on the threshold of a greater progress and a greater prosperity than we have ever known.

All during these years we have been at the dead rock bottom, climbing the hill, turning the corner, weathering the storm, seeing the light, and in all that time the Prime Minister, to whom we looked for leadership in connection with this all important problem, was giving us this bright picture as he saw it. It culminated on January 2 of this year—that is an important date—with the new Minister of Trade and Commerce (Mr. Hanson) publishing a full page advertisement entitled Cana-

dian Cavalcade. In the background we see boats lying at the piers, the smoke belching from the factories, the wheat fields being reaped with combines, and we read these lines, amazing in view of what took place that very evening:

As the year 1934 passes into history, Canada can look back upon a period of unimpaired progress so definitely sustained that it has brought us to the pathway that leads to a sound, sensible, and stable prosperity. The advance that we, as a country, have made during the past year has demonstrated anew the inherent strength and stability of the dominion. We have seen the faith to which we held so firmly in the darker days abundantly fulfilled—the confidence to which we clung in gloomier years triumphantly vindicated. With clearer skies above us, and firmer ground beneath our feet, we have advanced with unimpaired progress along the road of national reconstruction and economic recuperation.

How was the new Minister of Trade and Commerce to know that his leader, who had been recognized as—

At once the cook and the captain bold
And the mate of the Nancy brig.
And the bo'sun tight and the midshipmite,
And the crew of the Nancy brig—

—was that very evening to sail this ship, that has been referred to so often during the various addresses of the Prime Minister, into a sea uncharted and unknown; that he would within a few hours jettison the whole Tory policy in an attempt to save the ship; that he would nail to the masthead not the flag of progress but the flag of Tory despair?

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, February 26, 1935

The house met at three o'clock.

BANKING AND COMMERCE

Hon. J. D. CHAPLIN (Lincoln) moved:

That the standing committee on banking and commerce be empowered to sit while the house is sitting.

Motion agreed to.

EIGHT HOUR DAY

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, on a point of order, and purely as a matter of procedure, may I bring to the attention of the cabinet ministers page 109 of the votes and proceedings for February 8. They will see on that page something to which I shall direct their attention. Whereas the eight hour day convention appears to have lapsed since 1921 is it the intention of the government to proceed with the bill based on such convention? This is stupendous, but it lapsed fourteen years ago.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): In answer to the hon. member for Témiscouata may I say this matter will be brought to the attention of the Prime Minister, and the question may be asked when the resolution standing in his name is before the house.

SALE OF BUTTER

On the orders of the day:

Mr. J. A. MERCIER (Laurier-Outremont): Mr. Speaker, I should like to direct a question to the Minister of Agriculture (Mr. Weir). Yesterday the minister gave a complete answer with regard to charges to the effect that adulterated butter was being put on the Montreal market. Has the minister any further information he could give the house to-day?

Hon. ROBERT WEIR (Minister of Agriculture): Only this, that our chief inspector has been instructed to get in touch with the organization which made the statement to see if they can give any information which will enable the department to make any more thorough investigation than has already been made.

PUBLIC WORKS PROGRAM

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I should like to ask a question of the minister of Marine (Mr. Duranleau). In the law passed last year concerning an expenditure of $40,000,000 for public works it is stated that tenders must be asked before works are proceeded with. I should like to ask the minister if tenders for the harbour works of Quebec are being asked publicly, by way of the newspapers, or are they asked only from private firms.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, in connection with those public works of the Department of Marine, tenders have been asked from a certain number of private firms. In some cases, as many as ten firms were invited to tender.

Mr. LAPOINTE: Why not public tenders?

Mr. DURANLEAU: Because, as the house was told last session, these were relief works, and we thought it was better to have—

Mr. NEILL: Relief for whom?

Mr. DURANLEAU: The government and my department thought it was more advisable to have the work done by local contractors so as to relieve unemployment in the locality.

Mr. LAPOINTE: Is it not a fact that only the friends of my hon. friend's party have been asked to tender?

Mr. DURANLEAU: My hon. friend from Quebec East is entirely wrong.

LEAGUE OF NATIONS

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Yesterday the hon. member for Témiscouata (Mr. Pouliot) asked a question about the withdrawal of Paraguay from the League of Nations. In reply I would say that the government has been informed that Paraguay has given formal notice to the secretary general of the League of Nations of her intention to withdraw from the league.

The hon. member for Témiscouata inquired what stand had been taken by the Canadian government in the matter. No stand in the matter has been taken by the government of Canada nor by the government of any other member of the league. Under article 1, section 3 of the covenant "any member of the league may, after two years' notice of its intention so to do, withdraw from the league, provided that all its international obligations and all its obligations under this covenant shall have been fulfilled at the time of its withdrawal."

It will be noted that withdrawal from the league cannot in any case take effect until two years after notice has been given.

Mr. POULIOT: Thank you very much.

NORTH BATTLEFORD ENUMERATORS

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have a question to direct to the acting leader of the government. Under the Dominion Franchise Act assented to July 3, 1934, the government appointed a dominion franchise commissioner. The commissioner then appointed registrars for the 245 electoral districts in Canada. The registrars in turn appointed the necessary enumerators to record the electors for voting purposes throughout Canada. Correspondence received from the North Battleford constituency—

Mr. SPEAKER: I would ask the hon. gentleman to put his question.

[Mr. Duranleau.]

Mr. McINTOSH: I am just coming to it, Mr. Speaker.

An hon. MEMBER: Make a speech some other day.

Mr. McINTOSH: I am not making any speech at all.

Mr. SPEAKER: Order.

Mr. McINTOSH: I was stating, Mr. Speaker, that correspondence received from the North Battleford constituency states that many enumerators have not yet beeen paid for services rendered. Now my question is this—

Mr. SPEAKER: I would ask the hon. gentleman to make the foundation for his question as brief and as much to the point as possible, and then put his question.

Mr. McINTOSH: I am endeavouring to do that, Mr. Speaker.

An hon. MEMBER: Without any circumlocution.

Mr. McINTOSH: My question is this: Since money is scarce and debt-collecting legislation is the order of the day, will the minister investigate the matter and see that all enumerators not yet paid for work done months ago shall be paid forthwith?

Right Hon. Sir GEORGE PERLEY: I will have inquiries made.

Hon. C. H. CAHAN (Secretary of State): As a matter of fact, on a question of privilege, Mr. Speaker, I may say that the franchise commissioner is not appointed by the government, and the present commissioner was not appointed by the government. He was appointed by this House of Commons.

SUPPLY—UNEMPLOYMENT RELIEF

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed, from Monday, February 25, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of supply, and on the proposed amendment of Mr. Mackenzie (Vancouver).

Mr. R. W. GRAY (West Lambton): Mr. Speaker, when the house adjourned last night I was about to compare the Prime Minister's radio addresses with his previous speeches during the years from 1931 to 1934 in which he had pictured in glowing terms the steady return of prosperity to the Dominion of Canada. But those pictures glowing as they were, were as nothing compared with the full-

page advertisement of the new Minister of Trade and Commerce (Mr. Hanson) published on the morning of January 2, entitled "Canadian Cavalcade." Hon. gentlemen will recall that it was on the evening of that same day that the Prime Minister commenced his radio broadcast. Reading that advertisement in the morning, and then tuning in the radio at night to listen to the Prime Minister's first address, is it any wonder that Canadians listened with amazement as they heard the Prime Minister of Canada in his opening remarks say: "This is a critical hour in the history of our country. The signs of recovery are few and doubtful. The signs of trouble are many, and they do not lessen." Someone listening to that broadcast and having read the previous speeches of the right hon. the Prime Minister was reminded of those words of Goldsmith:

> Words of learned length and thundering sound
> Amazed the gazing rustics ranged around;
> And still they gazed, and still the wonder grew.

And still the wonder grew, Mr. Speaker, as his listeners heard the Prime Minister in that radio address once more denounce the dole. "I am against the dole," he said, "it mocks our claim to progress."

We awaited subsequent addresses to see just what the Prime Minister had in mind to substitute for the dole. My hon. friend from Vancouver Centre (Mr. Mackenzie) last night gave some figures showing the exact number of unemployed in Canada to-day. The Acting Prime Minister (Sir George Perley) said that we should not give those figures, that it would hurt the credit of Canada; but I say to him as I say to this house that it is time that the people of Canada knew the exact state of affairs; it is time that this national government gave some leadership to the dominion, and it is much better that we should know these facts and figures and have them on record in order that the people may realize the exact state of affairs if we are going to go on having municipalities default in interest payments and provinces struggling along on the verge of bankruptcy.

In November, 1934 we had on direct relief in this dominion something over 1,000,000 people. We had in December, 1934, 1,107,000 people on relief, and we had in January of this year 1935, 1,183,962 people on direct relief in this dominion.

His listeners were amazed to hear the Prime Minister once again declare that he would end unemployment. We listened, all of us, interested to see what the Prime Minister might bring forth to end this all-important problem. We have had some legislation brought down, which I have not the time to review here. We have had unemployment insurance, and it has been shown I think conclusively that it will not assist those who are unemployed to-day, and that even those who are employed will not share in its benefits until at least some two years have elapsed. We have had the question of the minimum wage and the hours of labour, but there is not anything radical in a forty-eight hour week. In my own city of Sarnia we have had for some two years, in a plant employing some 1,700 men, a forty hour week and an eight hour day, and yet I hold in my hand a dispatch in the press of that city to-day showing that the relief costs of that city for unemployment have been fairly steady. They show that the relief costs in 1934 were greater than in 1933. There is nothing radical therefore or anything that will greatly take up the slack of unemployment in a maximum forty-eight hour working week.

Then we have had the question of the revision of the Old Age Pensions Act. We recall, all of us, that the Prime Minister in 1930 stated that the national government would pay the full 100 per cent of the old age pension. I grant that as time goes on it is quite possible that the Old Age Pensions Act may need some revision, but that is not legislation that is new, and do not forget, as this country will not forget, that it was the Liberal government of my right hon. leader that placed that act upon the statute books.

Then we heard the Prime Minister say that he would appoint an economic council. That is good in itself, but what in the world will an economic council do to cure the unemployment situation? Why come forward now with the appointment of an economic council when for the last four or five years the Prime Minister has consistently refused the suggestion of my right hon. leader that a national council be set up to study the whole unemployment question in cooperation with the provinces and municipalities? Then we had fully one-half of a radio speech in which the Prime Minister said that he would abolish the no par value stock. That is rather strange coming from him at a time when, only a few months ago, a motion made by my hon. friend from Last Mountain (Mr. Butcher) was turned down by this very government. But does he think that the abolition of no par value stock will help the unemployment situation or touch the fringe of the dangers which he hopes to prevent in connection with speculations in company promotions? No; these things, good as they may be, do not

begin to get at the fundamentals of the situation. My hon. friend from Vancouver Centre last night quoted from the actuarial report prepared by Mr. Wolfenden in which he set out the causes of unemployment. Mr. Wolfenden, in gathering the data necessary to prepare this report, went into all the facts surrounding the question of unemployment; and when one reads the reasons he gives as the basis for his report to the Prime Minister, the reasons for the causes of unemployment in Canada, one finds that it is one of the greatest indictments of the policies of this government since its inception, and that the Prime Minister stands indicted to-day before the bar of public opinion on the strength of that report.

I am supporting this resolution, which is purely and simply a motion of want of confidence in the government, because I believe that the people of this country have lost confidence in hon. gentlemen opposite. That is evidenced not only by the by-elections that have taken place since 1932 but by the fact that the leader of the government has even lost faith in himself.

Some hon. MEMBERS: Oh, oh.

Mr. GRAY: Hon. gentlemen may draw their own conclusions, but speaking in Toronto on Saturday last the Prime Minister said that the election will come like a thief in the night. This was an address given to the young Canadian Conservative Clubs of Canada. I doubt whether the illustration was a very apt one coming from the Prime Minister to these young Canadians, but I will let that pass. The Prime Minister has always told us that he means exactly what he says. Well then, if he means exactly what he says in this statement, he is afraid to face the people in the open and will come with his election like a thief in the night. Let me say this to the Prime Minister, that the people of Canada have learned to protect themselves since 1930 and that he will not steal this election.

My time is almost up and I will not go into questions which might easily be raised in reference to what can be done towards solving this all-important problem that faces us. The Prime Minister said as recently as a week ago last Saturday that he knows the answer to the question. Speaking in New York on February 16, in an address to the Canadian Society, he made this statement:

> I would find it impossible to conceive and develop a scheme of recovery and reform unless I first had definitely decided upon the answer to it.

[Mr. Gray.]

If the right hon. gentleman has the answer, if he knows what the solution is for the problem that we are faced with, it is not contained in these radio addresses, splendid as they were from the oratorical point of view. If the right hon. gentleman has the answer—and he says he has—then in the name of everything that is just and right let him give that answer to-day to the people of Canada.

Hon. RAYMOND D. MORAND (East Essex): Yesterday we witnessed a member of the guard on the other side trying to blow a bit of fire back into the dying embers of the Liberal party. He used the bellows to the best possible advantage, but unfortunately the embers were cold, and they fell rather on useless and burned out ashes. I was rather surprised that a new leader had come forward with a policy and ideas of his own—pious wishes it would be better to say—as to how this great problem can be solved. He was unsupported by the Napoleon of the party, who I see is in his seat to-day; nor was the Marshal Ney of the party, the hon. member for Quebec East (Mr. Lapointe), there to support him. I wonder if it is a plan projected, that he and those who are supporting him to-day shall parade from one end of Canada to the other appealing to those to whom his particular type of oratory and that particular type of call which he is making has an appeal, leaving free his leaders to remain with the laissez-faire class that will help them to put over the election. With that amount of fire and vim he always puts into his speeches, when he began yesterday I had hoped that he would bring some new fuel to the dying embers. I had hoped that possibly he had something to hand to the Canadian people, the unemployed of this country, something that would bring them some solace and help. But he just added another regret to that litany of regrets which we have heard from the opposition benches during the last five years.

It is interesting to read the amendment to the resolution as submitted by the hon. member. His amendment reads:

> That all the words after the word "That" in the motion be struck out, and the following substituted therefor:
>
> This house regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or

effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

I am sure that will be some comfort to the unemployed of Canada. For five years I have listened to members on the other side; for five years I have hoped that possibly, with plenty of time on their hands and with the experience they have had, they might suggest some constructive bit of advice to those on this side in working out the problems that face this country; for five years I have hoped that possibly they would hold out the hand of cooperation and of help to assist Canada in solving this great problem. But they have consistently, from the very beginning, found more solace in the difficulties of the government than in their desire to help. I heard repeated again yesterday that same line which they hope to get across to the public—the supposedly broken promises of the Prime Minister. Why, they laugh at it themselves. One could repeat it almost without notes; hon. gentlemen opposite have reiterated it so often. But it is sometimes necessary to see clearly before you can remove the beam from your own eyes. I wonder if any of the members opposite have read the platform of 1919. I wonder if any of them know what was in that platform. I wonder if any of them have read the resolution?

Mr. DUFF: Ask the Minister of Railways.

Mr. MORAND: I wonder if any of them have read the resolution on labour sponsored by the present leader of the opposition (Mr. Mackenzie King)—sponsored well in a good speech, because one must remember that at that time he was preaching for a call and he made a mighty good speech. It is interesting to read just a bit of that resolution.

Mr. JACOBS: Let us take it as read.

Mr. MORAND: I am quite sure that hon. members would like to take that resolution of 1919 as read; they would like to see it buried because it brings to the Canadian people a long line of inactivity, a long line of forgotten promises that make those of the Prime Minister pale into insignificance. I am going to read just a few of them:

> The committee recommends that the national Liberal convention accept in their entirety as a part of the Liberal platform, in the spirit they have been framed, and in so far as the special circumstances of the country will permit the terms of the Labour convention and general principles associated with the League of Nations and incorporated in the conditions of peace.

Anyone reading that would know who wrote it. It is circumscribed by so many doors that one can get out of that only one in this house could be the author. I am not going to read it all.

Mr. DUFF: Yes, read it all.

Mr. MORAND: I am sure it will make very pleasant reading for hon. gentlemen opposite who will read it all when they have more time. The third clause—and this is taken from the platform of 1919, the platform upon which hon. gentlemen opposite got into power—reads:

> 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 hour day or a forty-eight hour week as the standard to be aimed at where it has not already been attained.
>
> 5. The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.
>
> 6. The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.
>
> 7. The principle that men and women should receive equal remuneration for work of equal value.

But this is the gem:

> That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits should be instituted by the federal government in conjunction with the governments of the several provinces; and on matters pertaining to the industrial and social legislation an effort should be made to overcome any question of jurisdiction between the dominion and the provinces by effective cooperation between the several governments.

That was in 1919. We have listened to hon. members opposite talk about the wonderful prosperity that prevailed under their regime. We have heard them talk about the wonderful financial conditions that existed during their term of office and about the wonderful cooperation they had with the provinces. Despite that, we find ourselves at this late stage with all of this program unfulfilled and no attempt made to fulfil it. Some attempt has been made to say that because the Senate was opposed, these schemes were not put into effect, but I can remember the welkin ringing with the phrase "Reform the Senate." The Liberal party was nine years in power, but the Senate remained unreformed. When we hear hon. gentlemen opposite day after day recalling the broken promises of the Prime Minister (Mr. Bennett); when we realize the condition of the country during his term of office and

compare it with conditions that exist throughout the world, and when they are to-day confronted with a list of unfulfilled promises such as those I have cited, never again should we hear from the other side talk about broken promises on the part of the Prime Minister.

Yesterday I heard the hon. member for Vancouver Centre (Mr. Mackenzie) finding fault with many of the works that had been accomplished by this government. For instance, I heard him find fault with the wheat control. I wonder whether those in the prairie provinces who were able with the help of the government to maintain the price of wheat at the point they did will welcome the criticism leveled at that piece of work. I wonder whether the railroad workers who were retained at work because of advances to the Canadian Pacific and the Canadian National will consider this was an improper spending of money in order to keep the railway shops open.

During yesterday's discussion we had a reiteration of the nine points that were submitted during the last five years, those nine points that are supposed now to be the new chart of the Liberal party.

Some hon. MEMBERS: Fourteen.

Mr. MORAND: Apparently there were some that the member thought he had better not name because Hansard records only nine. I think they are worth going over and bringing to the attention of the unemployed who find the time of the house being taken up in a discussion of this kind. These are the points:

1. A dominion-provincial conference to consider the financial relations of the provinces and the dominion.

I wonder just how much help that would be to the unemployed. We have had four such conferences already and in regard to two provinces we know only too well their financial situation.

2. That unemployment was Canada's most urgent national problem, and strongly advocated a representative national commission to coordinate all national effort and to cooperate with the provinces and municipalities in the administration of unemployment relief.

Do the unemployed of this country complain of the way in which the relief has been handled?

Some hon. MEMBERS: Yes.

Mr. MORAND: Some hon. members say yes, but that is not what my hon. friends are speaking about. They say: We want to stop unemployment; we want to give these people work. I am sure we on this side agree with that, but I am satisfied that the relief work that has been done for the unemployed has been done as well as it could have been by any central administration. Surely those in the municipalities who know the unemployed, who are close to them, are in a much better position to take care of them than any one commission such as suggested in this clause with central headquarters could have done.

3. That there should be an audit by the federal government of all expenditure of public moneys.

That, to my mind, would simply help the unemployed auditors. Surely we cannot tell the provinces that their auditors, their audits and their accounts are not correct.

Mr. VENIOT: You are doing that now.

Mr. MORAND: I am sure that again will be a great solace to the unemployed.

4. That all moneys for relief purposes should be voted for specific purposes and voted by parliament.

To me that is just threshing words.

5. We opposed—

I have heard that expression so much since I have been here.

5. We opposed voting public moneys in lump sums and we opposed the blank cheque—a government policy which subsequently resulted in a colossal wastage of public money.

6. We opposed giving to the executive the power of legislating by order in council with respect to peace, order and good government.

When I hear my hon. friend the member for West Lambton (Mr. Gray) joining in this cry of opposition to orders in council I am sure he must have in the back of his mind what is happening in Ontario, where the province has been governed by orders in council since last June, both as to matters that are ordinarily done by orders in council and even in matters of public policy.

Mr. GRAY: It has been well governed anyway.

An hon. MEMBER: And that is some change.

Mr. MORAND:

7. We advocated as the only real basis on which recovery could be hoped for, the introduction of policies which would serve to provide employment by reviving industry and trade and which would make for the liberation of trade both external and internal.

I am not going to spend much more time reading this, but apparently hon. gentlemen opposite hang their whole hope of restoring the prosperity upon a change in tariffs. We have heard time and time again that the

tariffs are too high, that protection is ruining this country, and along that line ad infinitum. I wonder how those in my city, I wonder how those in the city of Sarnia and many other cities, would like to see the bars taken down and the ten or fifteen million unemployed of the United States put to work to supply the wants of the Canadian people, while they were put on unemployment relief. Nothing else could result. It is not a question of what we do with the tariff; the gates of trade were closed against us long before this government came into power, and other nations do not propose to open them. If there is one thing I am proud of about this government it is that they have shown that they propose at least to keep within this country the work which is available for us. I have heard some rather peculiar expressions since I came to this house. For instance it is such a common dictum that it has almost been assumed as an axiom that we must buy if we are to sell. Then in the same breath they tell you that the wealth of the country depends upon our external trade. But if you must buy every time you sell then the wealth of the country is not increased. I will go further; if you close one factory in my town that throws a thousand people out of work what is the consequence? You may ship wheat to the other side of the ocean to feed another thousand people, but you have a thousand on this side that you will have to keep on relief, and it takes no more wheat to feed that thousand on the other side than it does to feed the thousand on this side, and you have to pay the transportation charges besides to agencies from which we gain no profit whatsoever.

Some hon. MEMBERS: Oh, oh.

Mr. GOTT: It is the truth that hurts.

Mr. MORAND: During the entire speech of the hon. member for Vancouver Centre yesterday and of the hon. member for West Lambton, did we hear a single word of commendation or praise for the work that has been done by this government? Did we hear them mention any good that came from the Ottawa agreements, any good that came from the public works undertaken throughout this whole dominion to give work to the unemployed? Did we hear them comment favourably upon the way relief was handled? Did we hear them say anything in commendation of the marketing bill, of the Farmers' Creditors Arrangement Act, of the Canadian farm loan board, of the eight-hour day, of the unemployment insurance measure and amendments to the Companies Act? Had they anything good to say of the work, started by this government and now in process, of the price spreads and mass buying commission whose report is expected soon, or of the treaties with foreign nations, of the support of the wheat market, aid to the railway workers, the abolition of dumping that would have thrown our men out of work? To-day the Prime Minister and his government are amplifying this work already so well begun and are providing in the legislation now before the house and to be brought down a plan that will go still further and continue to help those in this country who are in difficulty. And what do we find? The first thing is an attack upon its constitutionality. I have heard that word ever since I came here in 1925. It won an election, I believe, in 1926 but I doubt that the people will again fall for constitutional issues.

One thing I resent is the attitude of the other side that they and they alone have sympathy for those who are in difficulty, that they and they alone are anxious about the unemployed, that they and they alone are looking for a way out. I believe that those on this side who are carrying the burden, those upon whose shoulders the responsibility falls, those who so unfairly are held accountable for conditions, have the fullest realization of what they have to do and what they should try to do, and I am satisfied that they will do it. When the people of this country are called upon to pass judgment upon these reform measures, these measures of amelioration, these advances in legislation, this progress, I wonder to whom they will turn. Will they turn to those who believe that these measures are the illegitimate children of a violated constitution, or will they turn to those who believe them constitutional and will father them and finish their work and carry this program through so that the Canadian people may resume their way towards the prosperity that they have a right to enjoy.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, throughout the course of several speeches we have been listening to the kettle calling the pot black or the pot calling the kettle black, whichever way one would put it.

Mr. JACOBS: You call it red.

Mr. WOODSWORTH: It is not my purpose to enter into that aspect of the discussion. The amendment presented is I think one that we in this corner cannot avoid supporting, although I say frankly that I regret having to support an amendment bolstered up by such speeches as we had yesterday. The amendment states that:

The present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread or actual unemployment or distress which continues to be Canada's most urgent national problem.

I agree with that statement. I think we may all admit that we have not had brought forward in the last five years anything that effectively deals with this problem.

Mr. STEWART (Leeds): Has any other country?

Mr. WOODSWORTH: An hon. gentleman says. Has any other country? No. I frankly admit that no country has altogether solved the problem, but I do say that some other countries have been more successful than we have.

An hon. MEMBER: Name them.

Mr. WOODSWORTH: Great Britain for one.

Mr. MANION: They have more unemployed in relation to population than we have.

Mr. WOODSWORTH: No, and further than that the point I wish to emphasize is that many of us do not believe that the problems are solvable under the existing capitalistic system. We say that frankly.

Mr. MacNICOL: Go to Russia.

Mr. WOODSWORTH: And we do not believe that we can justly hold either the Liberal party or the Conservative party wholly responsible for failing to solve these problems. They cannot do it under the system under which they are working. But we do say that as long as either of these parties clings to the existing system it is bound at least to take reasonable care of the citizens of this country. This the government so far has not done. It is quite true that we are considering a provision for unemployment insurance which will help a certain limited group of people in a very inadequate fashion, but the Prime Minister himself has declared that this is not a relief policy and will not assist any of those now unemployed. Nor has the Prime Minister seen fit so far in this session to bring down any program dealing with the unemployment question. We in this corner have been patiently awaiting that program through the weeks that have passed, but there is no indication that any such statement is forthcoming. The Prime Minister has stated that he does not like the dole. None of us do. There is more than a suspicion that the government is seeking more and more to throw the responsibility for unemployment relief upon the provinces and municipalities, and that at a time when a good many of the municipalities are practically bankrupt. As I said the other day, I do not think we should let this parliament prorogue without having had placed before us a well thought out scheme for dealing with the actual situation which confronts us.

Sometimes I feel very weary indeed when year after year we have to bring up this question of unemployment. I think it was in 1922, some thirteen years ago, that I first introduced a motion on going into supply that something should be done with regard to unemployment, and year after year we have had to call the attention of the house to this same question. We have tried to point out the actual conditions throughout the country. We have tried to show the cost of unemployment. From time to time we have tried to analyze the economic conditions that lead to unemployment. We have tried to advance certain schemes, such as the housing scheme and others, which would seem to be a practical way of beginning to deal with this question. We have gone into the more fundamental matters and urged that unemployment is bound to remain with us as long as we operate under this profit system. We have done all this. It is not my purpose to-day to go into the question of the constitutional responsibilities. Both sides of this house in turn have acknowledged that this is a national problem, and I think the government could not but receive support from all sides of the house if they were bold enough to initiate a thorough going national scheme for dealing with the present unemployment situation. I do not propose to go into the statistics of the matter; we have had statistics until our heads fairly swim with them. It is not statistics we want; it is action. I do not think even the supporters of the government will venture to say that there is anything before us yet or likely to come before us that will really solve this problem or affectively assist this large number of our unemployed fellow Canadian citizens.

I should like for a few minutes, if I might, to get away from the atmosphere of this house—

Mr. SPENCE: The door is not locked.

Mr. WOODSWORTH: Oh, yes; someone says the door is not locked and that we may go. It is very easy to make a joke of these things, but I earnestly ask hon. members of this house to allow me for a few minutes to try to make them realize what is involved in this unemployment question. I think, surely, every hon. member must know of

at least some cases, among his circle of friends, of those who have been affected or whose homes have been affected by unemployment. Surely there must have been individual cases in which hon. members have become interested, where they have seen how people who have been unemployed for years have become demoralized. I can quite understand that if this problem continues very much longer we may have an even greater degree of crime than has developed in the last few years. I can understand that we are going to have a very large measure of inefficiency among the young men who have never learned to work. I can understand that we are going to have restlessness among great sections of the population that will be very serious in character. But notwithstanding this we seem to drift on from year to year. In fact it was only the other day that someone in this house referred to the people in the unemployment relief camps as being almost useless to society, suggesting that they should not have the right even to participate in elections.

I submit that as yet we have not realized just what is involved. A few months ago in the west I picked up this item from the newspaper. A twenty-one year old boy from Yarmouth, Nova Scotia, seeking to board a train near Regina, fell between the moving cars and was seriously injured. This young chap apparently had a home down near Halifax. He had a sister but no mother. He had gone west in the hope of securing a job. He got as far as Moose Jaw and then tried to board a freight train. I suppose technically that is an offence against the law, yet it is the only way by which large numbers of our people can get from place to place. This young chap fell between the cars and was seriously injured. As the men came to lift him up and take him to the hospital he exclaimed, "Kill me. I am no good for anything now." The desperation of that young man is the desperation of a great many young fellows throughout the country to-day, and I want to say that if it were not for the fact that some of us had a little higher standard of living and some reserves the position of that boy would have been the position of some of our own boys to-day. I cannot look at my own boys without thinking what their future would be if they did not have a little extra help from home. There was this young man from the east, apparently, by his name, a French Canadian, trying to make his way, going to the west and now considered almost a useless part of our society. I suppose, according to the Prime Minister's philosophy, God was not just as good to him as he was to the Prime Minister. I say that in all seriousness. I believe the Prime Minister's philosophy is an absolutely rotten philosophy. I want to say in all seriousness that if we are really reverent in our hearts we will recognize that young chaps like that have just as much right in Canada and just as much right to a full life in Canada as have the very foremost citizens of Canada.

Mr. MOORE (Châteauguay-Huntingdon): What did you know about that boy before that?

Mr. WOODSWORTH: Nothing.

Mr. COTNAM: Then you are talking about something you know nothing about.

Mr. WOODSWORTH: Mr. Speaker, I submit that if there is a question to be asked the hon. member should address the chair.

Miss MACPHAIL: And ask the permission of the Minister of Finance.

Mr. WOODSWORTH: I give that incident, Mr. Speaker, because in a somewhat dramatic way it brings before the house the essence of the problem we are facing. For a few moments I shall take the time of the house to read an article which I have had in my files for a couple of years. This article appeared in the Western Producer of September 28, 1933, and is signed by William George Rundle. I believe it is worth while to have one of these unemployed men address the house and tell us something of the problems they have to face.

I am in a relief camp. Penniless and homeless and destitute, I am one who is clothed and fed and housed by the government, and I am wondering what the world is doing. I am one who vizualizes electrically lighted streets, glittering automobiles, theatre lights, bakery windows, softly lighted restaurants and hears the soothing hum of conversation and the silvery peal of a woman's laughter. I am one apart and I am one of many.

Then, a little later on:

Who am I? I am a university graduate; behind me I have four years of university life and after my name I can write a degree. One of my friends—a fellow labourer—is a pharmacist, another a military engineer, another a medical student, another a school teacher—a former principal; another an artist—come to his tent and he will show you pastels, pen and ink sketches, hand engraved greeting cards and water colours of still life.

On all sides of me are men from every walk of life—the creeds and beliefs and religions of all nations. All nationalities, all the professions, all the trades and all the labouring divisions are gathered here.

We are complete. In our tent city set off in the Saskatchewan prairie we are a community to ourselves; we can cook; we can tailor; we can teach; we can fashion our own tools; we can design our own power plant and we can build it; we can lay out our own buildings and, those of us who are carpenters, can build them; we can lay out water mains and sewers and our plumbers can construct them; we can fill our own prescriptions; we can keep our own accounts; we can type our own letters.

And then at a later point he states:

A train whistles in the distance. We see the smoke trailing off in the deep blue sky and we hear the rolling clink of metal upon metal as the wavering wisps of smoke trail northwards; cars hum on the highway and in our minds we hear the thud and crunching of rubber on gravel. They pass us by. We are beings who pause and listen whilst behind the whispering line of poplars the world goes rolling by. Beyond is the life we have known;

And still later:

Above on our bell shaped canvas roofs we see slow moving grasshoppers clinging to the sloping sides and advancing to the peak of our frail shelter. Is there a lesson to be taken from the slow footed advance? Inevitably the grasshopper moves onward and upwards. Is it a sign? Are we to be patient and wait as we have waited through the years; through the first relief camp in 1931 and on to this, our third, in 1933?

He might very well have added, "Our fifth, in 1935." Then skipping a few paragraphs I read:

We are khaki clad men in army fatigue uniforms—

An hon. MEMBER: Take it as read.

Mr. WOODSWORTH: The hon. gentleman says, "Take it as read." No, he is going to listen to this for the next ten minutes, if he stays in the chamber. I insist that this man be heard. He is the representative of tens of thousands of our fellow citizens:

We are khaki clad men in army fatigue uniforms and heavy steel-plated artillery boots, plodding to work through the shifting sand. Our blankets are provided, and palliasses of straw, and our trousers and shirts, and socks and underwear, our shaving equipment and our towels and tooth brushes. We are numbers on a relief project, we rise, and work, and eat, and receive hospital treatment and retire to the sound of the bugle. Our day is mapped out for us. We follow definite rules. And we are numbered for equipment and record purposes.

Then in several paragraphs is contained a description of the routine of camp life. Following that he describes what occurs towards evening:

Old men congregate together. They seem satisfied and placidly look back over twenty years farming, discuss the trivial events of the day or perhaps they bend earnestly over a game of rummy, or sevens up, or a cribbage board. They hope for better things; they look for better things but for the nonce they wag their heads wisely and remain silent.

Middle aged men gather and converse in low tones, vainly and desperately seeking "the way out," attempting to formulate new policies or find the weak link in our economic armour. There is no definite bitterness. We are beyond bitterness as the hopeless days pass—with a never-ending succession of hopeless days ahead. In place of bitterness there is a thoughtful consideration of reported world conditions, of the conditions of the crops and the movements of Mr. R. B. Bennett. There is no violence but a realization that something must be done.

Eyes stray to khaki trousers, army blankets, and army fatigue shirts. Is it to last forever? Are we to be "kept" all our lives?

There is impatience—yes! Perhaps lips move in a mental addition of the month's wages at twenty cents a day. And then a hopeless shrug.

Nerves are kept well under control or else there would be heard the wild, straining cry: "Oh God! what next?"

There comes a silence, each man thoughtfully smoking, chin upon hand and staring sightlessly ahead—lantern light, sharp shadows, bronzed cupped faces and the white outline of shimmering canvas. Another day is passing and another day will soon be dawning. "Oh God! what next?"

After describing the work of the frontier college instructors, he states:

The younger men are interested and some of them attend or form classes. The majority however are "stiffs." For years they have been on relief and bitterness, like a canker, has passed and left an ever present wound. Willing but unwanted! Desire has changed to apathy and apathy to brooding and now the days are merely units that stretch as far back as the eye can see and as far ahead as the imagination can reach.

Then, as they are summoned to bed:

Is it in irony that the last post is played instead of lights out? The notes rise into the air and the stately, solemn sound sinks into each soul. Lamps go out. Voices are stilled.

The last note floats high into the air and dies in the rolling hills. We have become but a faint line of white and the prairie has folded over us, but within man upon man lies awake, and stares stony-eyed into the darkness.

"Oh, God! what next?"

Some hon. members may have thought that I have no right to read this description in the House of Commons. I submit that there is as much sense in that article, and a great deal more insight than is shown on many occasions by what is said on the floor of this chamber. It represents a point of view that is too little heard here and which to-day I ask should be considered. At the risk of wearisome iteration may I be permitted to give another example which I believe fairly well illustrates the position in which thousands of people find themselves to-day. Some friends of mine whom I have known about fifteen years had come some years previously from Poland.

This man and his wife were exceptionally high types of settlers. Leaving their native village in Europe, because of the glowing pictures painted in those earlier days by our immigration representatives they were induced to come to this country. They came here hoping to make a home of their own, and were settled by the authorities at a point between the lakes, as we describe it, in northern Manitoba, on land which should never have been opened for settlement. They did not know the quality of the land and in all good faith they took a homestead. Year after year after year they worked on the homestead. They sold their butter and eggs at ridiculously low prices, really below the cost of production. They waded through almost impassable roads to get to the local village. They picked stones because the country was not unlike the country we sometimes see along the St. Lawrence where several generations ago the patient settlers picked stones off their lands. Unfortunately between the lakes, when they got the stone picked after unending toil, there was no soil that was worth anything much. For years they worked. They incurred debts, do as they would. The man went out to work, leaving his wife alone for long periods, and coming back with a little money to buy groceries. At last, having piled up debts and with no income coming in, with two young children to care for, they felt they could continue no longer, and they left their farm and came to live in the city.

Again let me say that this move is typical of that of hundreds of people whom we have in nearly all our cities in the west. The man was a skilled mechanic and found a place in the Canadian Pacific Railway shops. There he set to work with a will once more to try to make a home for his family. The wife was a very ambitious and capable woman. She went out working by the day in the hope that they might more quickly make a bit of money so that they might pay off their debts and give their children a chance. I used to know her in the days when she would go out to work hard all day and at night go to a public night school where the English language was taught. She wanted to be able to talk English fluently to her children as they grew up in this English country. They worked for some years before they were able to pay off the debts which they had contracted on the farm. It looked as if they were about to get into a position where they could be independent once more.

Then came the depression. I remember the man telling me that there were only a few ahead of him on the list to be let go. The company was gradually displacing more and more men, and for months he was afraid that his turn to be laid off would come next. Finally the time did come and he lost his job. His wife did not find it quite so easy now to get work in her line. The depression grew worse. In the meantime they had attempted to buy a house in the city. Possibly at this distance we may say that they were foolish to make such an attempt, but they had saved several hundred dollars, a sufficient amount to make the first payment, and they had that longing and earnest desire which almost every man and woman has, to have a little home of their own, and so they bought a house and began trying to make the payments on it.

Finally the man had to go on relief work, some work provided by the city, and while digging a ditch he was injured. There was no compensation for him because he was merely on relief work. He received a very bad blow in the head. He had to go to the hospital, which meant expense for himself and his wife.

By this time, the children had passed up through high school. The parents could not afford to send them on to university or to place them in any other school, so then they were taken out of school, with no work for either the boy or the girl.

Then came greater slackness of work, and bitterness of bitterness, they had actually to go on relief. These people who had been I suppose twenty-five years in Canada, who had worked long hours, who had tried to farm, who had tried industrial life, now were driven to accept relief from the city. They did it finally because they could do no other, and besides they hoped that in some way or other they might keep this home. he last effort they would ever make to have a home of their own.

Sickness added to their difficulties. The man had to go to the hospital. He returned not cured physically, but worse than that he was mentally so dejected that his mind could hardly be said to be normal. I had lost track of the family for several years, but I came across them again a few months ago when they were in this condition. It was only a few weeks after, that one morning at an early hour a trackman walking along the Canadian Pacific Railway tracks found the man dead beside the tracks. In some way he had been struck by the engine. Then came the great expense of the funeral, which is no small expense in a working man's family, especially when the people are on relief. The woman, one of the most efficient women that I have met, a woman who if brought up in another circle would be fit to occupy almost

any position, was prematurely aged, broken in spirit. Her two children born in Canada and to-day about twenty years of age, bright, well-trained young people but with no work to do. The girl received a few weeks' work during the Christmas rush at one of the department stores, all she has had for months, although trained to do good work.

Now, Mr. Speaker, and if it were proper, I should like almost to say, Miss Macphail and gentlemen of the House of Commons, I have recited that case to show the situation that to-day faces hundreds of thousands of our fellow-Canadians. There are just one or two points that I would like to leave with this house. One is that these people are idle through no fault of their own. There are a few lazy people—

Mr. MULLINS: Will the hon. member permit a question?

Mr. WOODSWORTH: Certainly.

Mr. MULLINS: Why did the United Farmers of Manitoba pass a resolution asking for the abolition of the unemployment camps. It was so that they could get men to work on the farms. The trouble is you have them crowding into the cities and you cannot get them out on the land.

Mr. SPEAKER: Order.

Mr. MULLINS: I ask the hon. member to please answer that question: Why did the organization which he knows very well, that belongs to Manitoba, pass a resolution asking for the abolition of the unemployment camps?

Mr. SPEAKER: If the hon. gentleman wants to ask a question, he will kindly do so without argument.

Mr. WOODSWORTH: I cannot accept responsibility for any resolution passed by the United Farmers of Manitoba. May I say, Mr. Speaker, that it is clear that although there may be some lazy people and some shiftless people, some misfits, I think it must be conceded that the great majority of our unemployed to-day have become unemployed simply because no job was available for them. That is the outstanding fact we ought not to lose sight of.

Mr. MULLINS: There is plenty of work on the farms.

Mr. WOODSWORTH: I do not intend to be diverted by the interjections of my hon. friend from Marquette (Mr. Mullins) except to say that there is not plenty of work on the farms to-day at anything like a living wage.

Mr. MULLINS: Oh, a good living.

[Mr. Woodsworth.]

Mr. WOODSWORTH: No, there is not, and there is no use talking about it. The farmer cannot pay his men. I tried to get young fellows placed on farms last summer, but I found that farmers would not pay them even their board.

Mr. LAFLECHE: What is the remedy?

Mr. WOODSWORTH: Never mind the remedy for the moment; I am pointing out the situation that exists. I quite admit that a number of these people who have been for years unemployed will shortly become unemployable; there is no doubt about that, but that is not the question under discussion. It is true that we are manufacturing these people by our present policies. But the real question is what are we going to do about the entire unemployment situation?

There is another point I want to leave with the house, and it too is incontrovertible. It is this, that the people who are idle through no fault of their own have a claim for adequate maintenance. I do not suggest that they should be sent to a farm to work for nothing and pay their own board; I do not suggest that they should be sent to relief camps—bright young fellows such as the one that wrote that article in The Producer—to work for twenty cents a day. That method is a disgrace, and anyone with any spirit in him will protest against that kind of treatment.

If the governments of the provinces and the government of the dominion, with all the resources which they have for surveying the situation, with all the resources at their command, cannot find jobs for these people, then the least that they can do is to give them adequate maintenance, a good living. I do not mean five cent meals, or twenty cents a day; I mean, in the case of single men, enough to enable them to secure three meals a day, a good clean bed, and enough to provide themselves with decent clothing so that they can hold up their heads in the world; and in the case of men with families, that they be provided, not with a tumble down shelter where they can scrape up a sort of existence, dependent upon charity for clothes and medical assistance, but some sort of pension, if you want to call it that, whereby they can draw a certain amount regularly, weekly or monthly, from the government, a sum sufficient to maintain them and their children in decency and to educate their children and give them a chance in life. I think that is undoubtedly the duty of this parliament.

You may object that we cannot afford to do that; you say that it would spoil these

people if they were given these things for nothing. I do not want to give a living to them for nothing, but I do urge that as decent Canadians they are entitled to a decent living. If we did give it to them I do not think it would take very long before we devised ways and means of finding something for them to do. That is quite proper. Every man has a right to contribute to society, but in the meantime these people ought to be kept. I do not expect that the present government is going to overturn the capitalistic system, notwithstanding all the Prime Minister has said. But if this system is one that is fundamentally sound, as the Prime Minister asserts, and only needs a little bit of reform, then the least we can do with the unemployed is to see that they are adequately supported.

Further I think we are right in throwing upon the government the responsibility of devising ways and means. This is in accordance with the very best constitutional practice. We have suggested from this corner certain things which we think would materially assist. We say for instance that there might be a very extensive housing program, which would help greatly. We say that instead of having this financed by borrowed money it should be financed through the credit of the country, without increasing interest or debt. And that is quite possible. Some one may denounce that as inflation but inflation of that sort would be a good thing for Canada at the present time. I do not mean uncontrolled inflation. If France can bring her franc down from twenty cents to four cents with advantage to most of her people, I cannot see why Canada cannot do the same with her dollar. We have pointed out further in this corner that there are certain fundamental financial changes that will have to be made. Perhaps the system will not stand the extra load that such a program as I have suggested would place upon it; but on the other hand I do not think that the system as it exists to-day will stand very much longer the strain that is being put upon it by the present government or would be put upon it by any other government that seeks to uphold the capitalist system. However, I do not want to get off into a discussion of these things. I think that if the government is right in saying that the people have entrusted them with responsibility—and the Prime Minister has insisted on this time time and again—then undoubtedly it is their responsibility to handle this situation. And we stand ready to do the very best we can to assist.

But I want to come back to the plea I am trying to make in this speech, if you can call it a speech. I ask that we for a little while get away from the political game that is played here day in and day out, week in and week out, year in and year out, and consider the seriousness of the situation that faces us in Canada. Do you think that these million of people on relief to-day can go on as they are going now very much longer? Is there any sign of a real letup in this depression? What shall we do in the next year or two or three years? How can we expect to have these people remain loyal and law abiding? I want to know what claim this government has upon the loyality of people who do not get even enough to enable them to live in decency? I would go this far: I should like to know what claim any system of democracy has upon its citizens when that democracy does not enable them to supply themselves even with the necessities of life. I warn this house, we cannot go on in this way very much longer, and I do urge that from this time on, in this session, we give the most serious consideration to this very pressing problem.

Hon. FERNAND RINFRET (St. James): I rise to support the amendment. I am glad to have heard the leader of the group in the corner say that he would support it. Although I do not agree with his views on capitalism and other matters, I fully agree with the picture he has given to-day of the unemployment situation in this country. I think he has given some very impressive examples of destitution amongst our people. I was sorry to see that occasionally what he said did not meet with that degree of sympathy which it should get from the house, but I am in agreement with him when he says that notwithstanding anything before the house now, unemployment remains essentially the problem that should engage our attention.

The amendment is quite concise and clear. It might be divided into three distinct parts. In the first place, it reminds the house of specific promises made prior to the election of 1930. Secondly, it reminds the house of the extraordinary powers to deal with unemployment that have been repeatedly secured from this parliament by the present government. And in the third place, comparing these promises with the full powers that were given the government to redeem them, it reminds the house that nothing specific has been done to meet the tremendous problem that exists. We are not to be surprised that the people are so disappointed to-day in view of the lack of policy of the government in this respect. When the Prime Minister delivered his now

famous addresses over the radio at New Year's, the people regarded these addresses as an earnest effort to solve the deplorable conditions that exist at the present time, and it is not to be wondered at that, finding out that the whole program of reform on the part of the government is not for to-day but for to-morrow or next year or five years hence, the people who are unemployed feel that they have been completely overlooked in the new program.

We have on the order paper measures concerning social legislation, but what is social legislation to people who are not working? How can you interest them in a project which does not concern them and is dealing only with a condition that may arise not any sooner than a couple of years hence? There is on on the order paper a measure for limiting the hours of work, but what is that to people who do not work at all? Their hours of work are limited in the extreme and naturally a reform of this kind, even if good in itself, cannot bring any relief to them. On the order paper there is another measure to provide for a weekly day of rest, but again I ask: What does that mean to men who not only rest one day in the week but are forced to rest for the whole seven days? We are told that later on we shall have a measure to regulate wages. Again I ask: What is that to a man who, not having any wages at all, does not expect to benefit by this kind of legislation?

But if I have been impressed by the speech delivered by my good friend the leader of the Labour party (Mr. Woodsworth), I shall say in all frankness that I was less impressed by the speech delivered by the hon. member for East Essex (Mr. Morand). If he speaks for his party, may I for a moment dwell upon the great change in the tone of the speeches that we are having from the Conservative party to-day and those that we heard in 1930 and the first years of this parliament? In 1930 the Conservatives were claiming that the then Liberal government had done no good with regard to labour, but that if the Tories were returned to power, they alone, and sometimes the present Prime Minister (Mr. Bennett) insinuated that he alone, would solve the problem of unemployment. I remember very well in one of the first sessions of this parliament when from this side of the house a motion similar to this was moved and the government was asked why they were not going on with the solution of that problem. Again the Prime Minister said: Give me health and a term of office and I will solve that problem. He was going to do it and his government was going to do it. But what do we hear now from the hon. member for East Essex? He says that if the government has not solved the unemployment problem, it is because the Liberals have failed to cooperate. In other words, after defeating us by contending that we could not solve the problem, this government are now trying to put the blame on us because they have not been able to achieve a solution themselves. I am not mentioning this from a strictly political standpoint as I might be accused of doing by certain hon. gentlemen, but I say that the government is at fault because not only did it disregard every project submitted by hon. members in the corner to my left and every resolution submitted by ourselves, but it did not seek cooperation. The government claimed unlimited powers for itself in the form of a blank cheque; it told the house and the country: We do not need the opposition; we do not wish to discuss the matter with parliament; we have no regard for the Progressive party; give us unlimited power, vote that blank cheque and we will do everything ourselves. That is what took place. But now we are on the eve of an election and the government says: We did not do it because the Liberals did not help us to do it. If this government wants our cooperation, I think the electorate is even much more anxious than is the government to have the cooperation of the Liberal party and it will prove that at the earliest possible opportunity

Another claim that is made is that when we raise the question of unemployment we are obstructing the work of the house. We shall certainly hear that before this debate is over. I do not recall in all my short experience as a member of parliament and in earlier years as a member of the press gallery an opposition making such generous and complete offers of cooperation to a government as we have done this year. We have waived completely our right to take part in the debate on the address; we have waived private members' motions for a number of sittings; we are even ready to give assurance to the government that if they will not press any motion for supply, we will make it easy for them later on to get all the supply they need. What we wanted to do—and I wish to say that again to the hon. member for East Essex—was to cooperate with the government if it would only bring down its famous reforms. We have had them and I am going to make a frank statement to the house and the country: we are supporting those reforms in principle; there are some details upon which we are not agreed. I will say further: If I were to listen to some opposition in the part of the country from which I come

I would sometimes hesitate to give my unlimited support to those measures; yet in a spirit of cooperation, of political abnegation to a certain extent, because we believe in the principles of those reforms and because we want to give the government the fullest cooperation in carrying out those measures, we will support unemployment insurance and other reform measures and I am ready to vote for them although quite a number of my electorate wants me to vote the other way. So far as cooperation is concerned, is that good faith on our part? I wish to emphasize that I think the comment the hon. member made to-day is altogether undeserved.

When we raise the question of unemployment that is not lack of cooperation; it is not obstruction. We believe it is the more pressing problem before the country and parliament. We believe in framing this program of reform the Prime Minister has overlooked the essential thing—how to remedy not future but present conditions. The diseased body is given a preventive against future sickness, but there is no remedy for the present one and the government is just like a doctor who would tell a patient: well, if you do not die from the present disease, I promise to cure you for the next one that you may contract. We are asking the government: Before you insure against unemployment of the year 1938 or 1939 and before you limit hours of work and set a wage scale for those who still enjoy the privilege of working, give a little more thought to those who are at present unemployed, to those who have no hours of work, no wages and who have to depend entirely on provincial and municipal aid. If we insist on that, it is because the government, far from indicating that it will at this session introduce legislation to cure unemployment, is now receding from the very limited degree of help that it has given to the provinces in the past. In June, 1934, at the end of the session the government through the Minister of Labour (Mr. Gordon) announced that it might abandon its contribution to direct relief. Later on there took place in Ottawa a conference, a sham conference I would call it, which lasted exactly three days. One day was consecrated to welcoming the premiers from the different parts of the country and of course the last day was consecrated to wishing them goodbye when they were returning home; there was only one day of conference, and what took place? There was no discussion, no debate, no opportunity even for any of those premiers to present their case, but merely an ultimatum from the Prime Minister that they would be told later on what this government was willing to do.

And what took place as regards the province of Quebec? This government was paying, or at least was supposed to pay, one-third of the relief money and other unemployment money. That amounted to over a million dollars I am sure. The Minister of Labour notified Hon. Mr. Taschereau that in future it would be only $600,000, and since then it has fallen to $500,000 and I think it is now only $400,000, and it is my observation that even that small amount of money is very hard to get from the federal government; you must send in accounts, and other accounts, and have them checked north and checked south, and the government has always been six or eight months late in its payments. But I do not want to discuss that part of it, I see I am disturbing the minister already.

Mr. GORDON: May I ask the hon. member a question? I do not like to interrupt, and I rarely do, but there was no time that the federal government was ever six or eight months behind in payments to the province of Quebec.

Mr. MACKENZIE (Vancouver): That is not a question.

Mr. GORDON: But the province of Quebec has been eighteen months behind in sending in their accounts for payment.

Mr. RINFRET: Well, here we have an admission of delay, whether it was due to my hon. friend or to the province. Whatever money the federal government pays to the municipalities is not only being reduced all the time but payment is subject to considerable delay. Let me point out that I read in the paper this morning that for the month of March the municipal administration of Montreal is asked to vote $1,443,771, nearly a million and a half dollars. If the federal government is going to contribute not one-third, but merely $400,000 to the whole province, you will see that it means a very paltry sum indeed as the city of Montreal's proportion. Yet there was a time when the government was willing to pay one-third, so I am quite right in saying that not only is the present government not coming forward with any help or policy in the matter of unemployment, but on the contrary is receding considerably.

The government was not very ready to discuss this problem with the provincial premiers in 1934, or to discuss it with the mayors. I remember that not a month ago we were told through the newspapers that this government had declined to receive in Ottawa a delegation of mayors, and I am surprised

that it was not anxious to meet even the mayor of Montreal. I think it should have been pleased to meet him. It was not very anxious to meet me sometimes when I was mayor. But I am pointing out that we have only omissions to underline in the matter of a policy by this government in regard to unemployment. They did not accept the offer of the premier of Quebec. Correspondence was laid on the table on February 15 on the motion of the hon. member for Laprairie-Napierville (Mr. Dupuis) showing that a generous offer was received from Hon. Mr. Taschereau; at least it was something positive. He said the province was willing to pay 50 per cent if the federal government would pay 50 per cent. The statement of the Minister of Labour was that the offer was not made in good faith, that the premier of Quebec knew very well that this government would not accept it. Well, why not test the sincerity of the premier of Quebec, why not accept the offer if only to find out whether Mr. Taschereau would live up to his part? I think Mr. Taschereau was very sincere in making that offer, but that the Minister of Labour was much more sincere when he refused. That part of the transaction at least is very clear.

Besides that we have had a slackening in public works. Look at the city of Montreal for instance. Not a very large amount of money was voted for Montreal out of the famous $40,000,000 program, but there was something, mostly it is true for the western part, where the vote is more likely to be on the side of the Conservative party; yet we are interested in public works all over the city. But they have not been going on very rapidly. In fact, Mr. Speaker, I may tell you that the public works policy of this government in my city is a policy of excavations. We had the excavation of the Canadian National Railways terminal some years ago; there it is, gaping wide open to the view of the public. Later on we heard that my hon. friend the Postmaster General (Mr. Sauvé) —not from himself, because he never wants to give any information on that matter, but through the Minister of Public Works (Mr. Stewart)—was going to build a postal terminal in Montreal. Well, the land was excavated a couple of years ago, and there it gapes, a true companion to the Canadian National excavation.

Mr. HANBURY: With a fence around.

Mr. RINFRET: I was told a few days ago that contracts had been let and that at last this terminal would be built. I regret that inasmuch as this government decided to supplement what it was not doing in direct relief by public works, it has not been more expeditious as regards works in Montreal.

Another cause for grave apprehension is as to what is going to take place after the first of April. The other day the Minister of Labour in replying to the hon. member for Vancouver Centre (Mr. Mackenzie) said something that is most extraordinary, but if it indicates anything it indicates that the government itself does not know what it will do after the first of April. Here is what the Minister of Labour said:

> I do not know that I made the announcement that direct relief would terminate on March 31, but this government is keeping in close touch with the provinces and a decision will be arrived at as to what method may have to be employed with respect to assisting them. Up to the moment we have not had any information or request from the provinces as to what assistance they may need.

I do not wish to be unfair, I will admit that in that reply there is an indication of some intention on the part of the government to do something, but it is a cause of gravest concern to all interested parties to see that hesitancy and evident lack of decision in so essential a matter.

The unemployment question is a national problem. I may again refer to the quotation made by the hon. member for West Lambton (Mr. Gray) from an order in council passed by this government in 1931, P.C. 2043:

> Whereas unemployment is primarily a municipal and provincial responsibility, it has been so general throughout Canada as to constitute a national concern.

On that I think we are all agreed, and I hope one of the decisions of this government wil be not to abandon that attitude as regards unemployment. It is a problem for this government and this parliament primarily to solve. There is good ground for that attitude, because after all, while seasonal and local unemployment may be due to local conditions, when we have a general state of unemployment as we have in Canada now we can say it is due primarily to the condition of trade and industry in the country. I do not say that by changing one item in the tariff or modifying the budget of the country you could solve the problem in one day, although I think we have been most unwise, the majority of this parliament, in approving of budgets rising to such heights as we have had in the last five years. But I do say the condition of trade and industry is the cause for unemployment in this country, and therefore the responsibility is on the government which is responsible for trade and industry.

I say further that in Montreal, as in all large cities, the unemployed are not all from that city itself; they come from all over the province and even all over the country. I remember that when I was mayor of Montreal we had to deal with men who were sent to us by the mayor of Winnipeg. I merely mention that in passing as an illustration of the fact that when unemployment becomes general it is no longer a municipal or a provincial matter. There are certain centres in the country which are flooded with unemployed coming from all parts of the country, and it would be most unfair for the central government not to acknowledge its primary responsibility for dealing with that problem. I might point out also that with regard to a large city such as Montreal—and this would apply to Toronto or even to Sherbrooke—we do not receive the full benefit of all the money collected in the city. The harbour, the customs and the post office all collect money, in the main from activities taking place within the city limits, but that money belongs—and rightly so—to the central government. The central government has the power of taxation; it is able to call on many resources; it is able to exact money from those who should contribute it to the treasury of the country, but these opportunities are not open to the municipalities. Look at the difficulties with which the present administration in Montreal are faced. They have tried the income tax, the sales tax, this tax and that tax, but everywhere they are met with the condition which demonstrates that a problem such as this cannot be properly dealt with by only a small portion of the country. They want to tax a certain class of people in Montreal in order to meet the needs of the unemployed, but those people need only move to the next municipality in order to escape that tax, It is only the central power that can go to all the people of Canada and secure, through taxation or otherwise, the money needed for unemployment relief, and use it for that purpose.

Therefore I do say, Mr. Speaker, that if this responsibility has to be placed somewhere it should rest with the federal government. Yet, as I said at the beginning of my remarks, this government are not showing any signs of activity which would indicate that they are alive to their responsibility. On the contrary they seem to think that because they have provided a reform program which smacks very much of electoral disquiet, they have provided for the future, and that the present problems can be solved by leaving them alone or leaving them to be dealt with by local authorities. I remember that at the beginning of the session there was some discussion as to the number of unemployed in the country. Statistics are very deceiving; if you consider the heads of families, their dependents, this class or that class you may suit them to your purpose, but I have in my hand a return brought down by the Secretary of State (Mr. Cahan) which places the number of persons on direct relief at 1,182,123. Those are the figures supplied by the government, and I do not think they show any decrease in the number of unemployed such as the Prime Minister attempted to point out in a former debate. On the contrary I think it is amply proven that there are vast numbers of people still on direct relief, and I say that unless the government have some policy to substitute for it the time is very ill chosen for any minister to announce to the country that the government are not going to pay their share and accept their responsibility in connection with direct relief, but are going to leave it to the provinces and the municipalities, contenting themselves with the payment of a lump sum.

I know, as everyone knows, that direct relief is an evil, but it has been rendered necessary because of the conditions that have arisen in the country. I repeat, however, and I think this is a fair statement to make, that direct relief is inevitable unless you have something else. It is all right to say that direct relief is not moral or that it is anti-social or something else, but if you do not provide work or if you have not a policy to deal with the problem in some more effective way are you going to let the people starve in order to show them that they are living in an unmoral state or something like that? Inasmuch as we must have it then I say the federal government should pay even a larger share than one-third of the cost of direct relief. If this government should drop out direct relief in Montreal would be left either to the province or to the municipality, and if that happened a condition would arise upon which I do not wish to dwell. In Montreal there are 225,000 people who depend upon the municipal cheque for their living. Do you imagine for a moment that you can turn those people loose and say there will be no cheque this week or next week? That would be a terrible state of affairs. It would be a new order of things, but not the new order that was promised in the Prime Minister's radio speeches. When the government say they are not going to pay more than a certain amount they practically accept the possibility of such a situation arising, and it is only because the government of the province and the administration of the city are more alive to their responsibility that this

condition does not come about. But that does not relieve this government of their responsibility through accepting, even in theory, a situation of that kind.

Therefore, Mr. Speaker, I say that this amendment is very opportune, because it places the situation squarely before the country. Even if we are willing to accept the principle of unemployment insurance for coming years, together with the other reforms that have been announced—which have been in the programs of all parties, in fact, and have reached their place in the program of the present government only after being supported by the other parties in this country—we insist that the first thing we should have is a clear enunciation of policy by this government as to what they intend to do in regard to unemployment, because I say the disease of to-day is of much graver moment than the possible disease of five years hence. The reforms may be good in principle and even in practice, but they fail to touch that essential point. On the contrary the amendment brings that forward and reminds the country of the primary fact that the first thing to which this parliament should devote its attention is the cure of our present evils and the certainty that these difficulties will receive consideration on the part of the government.

In conclusion may I say that I have no hope that the house will accept the amendment. It is only natural to expect that hon. gentlemen opposite will vote against it. Though the Prime Minister claimed some weeks ago that we were now the Conservatives and that hon. gentlemen opposite had become the Liberals, I am afraid they have not become Liberal enough to vote for the amendment. It is my impression, from the way this session has been conducted, that the government did not expect that we on this side of the house would agree with their reforms. It was rather expected that we would oppose them from the very first, and perhaps force an election. Evidently the Prime Minister has been surprised by our attitude; in fact at times I think he has been surprised at his own. He is now somewhat embarrassed as to what he is to do next. I am giving him this advice in all good faith: Let him look first to the problem of unemployment because it is the most urgent.

Mr. T. L. CHURCH (East Toronto): Mr. Speaker, the motion now under discussion has to do with the most important problem which can come before parliament, and to-day the people of Canada are paying for forty years' neglect of it. This afternoon we heard from the representative of the constituency of St. James (Mr. Rinfret), Montreal, and a former mayor of that city. The constituency of St. James is the home of the so-called capitalist system of Canada, which more than any other agency is to blame for the present unemployment situation.

It would be just as unfair for me to blame the former mayor of Montreal for the condition of affairs prevailing in that city, for the unemployment, the untold privation and suffering as it was for the hon. member for Vancouver Centre (Mr. Mackenzie), assisted by the hon. member for West Lambton (Mr. Gray) to blame the government of Canada for the unemployment situation in the dominion.

May I observe in passing that the very same speech was made in Toronto by one of the hon. members who has spoken, and upon that occasion he complained that the Conservative government had not solved the unemployment condition in three days. Well, the hon. member for St. James was a part of the administration which held office from 1921 until 1930. That government was in office 5,697 days and did nothing but make a political football of the unemployment problem. The result was that when the present administration took office they found no organized plan either with the provinces or the municipalities which would have been sufficient to cope with the difficulty.

I am sorry to note the political trend of the discussion on this motion, because if there is one problem which should not be considered from a standpoint of party politics it is this particular problem which affects such large numbers of the men and women in the industrial centres in which such conditions have never before prevailed. I hope we will never again see the conditions under which many people who have been born in our cities and others who are new arrivals are living. They are enduring untold suffering, awful privations exceeding anything the human imagination can conceive, and this condition applies to skilled workers and other men and women who never knew what it was to lack a day's employment. These are most distressing conditions.

I am sorry to note the partisan stand taken by the Liberal party in connection with this problem. I admire the nature of the real liberalism which inspired the miners of Cornwall to march to London town to defend Bishop Trelawney against the tyranny of James II, as I do the freeholders of Buckinghamshire who defended John Hampden

against the tyranny of Charles Stuart. I cannot, however, admire the economic liberalism of the Liberal party in Canada, because I believe that economic liberalism, the policy adopted by those of the Manchester school and by those who for many years have been crying out for free trade and semi-free trade must bear some of the burden of blame for the condition of unemployment we have.

In my view the present economic problems of Canada cannot be solved by majorities in parliament. They must be dealt with by the nation as a whole, and as a matter of life and death. Our problems demand national sacrifice, and not parliamentary repartee, such as was attempted last night by the hon. member for Vancouver Centre (Mr. Mackenzie). A remedy must be found for this great disaster of unemployment because it is the greatest disaster this or any other nation has ever experienced. The remedy must be as far reaching and uncompromising as the application of conscription was found to be in war. We have a war in Canada to-day, a war between thousands of our citizens on one hand and poverty and starvation on the other. Do not run away with the idea that the economic war is not as bad as a military war, because unemployment is as dangerous as a foreign foe in war time. Against a foreign foe we are united to repel invasion, but against our internal foe of unemployment we are not united and up to 1930 did nothing to check the advance of this enemy. In a time of military contest our country's resources are mobilized, and we have control of the transportation services, the man power and capital resources of the country. Under those circumstances we would be prepared and united to meet a foe, but when we have to meet a foe just as bad, namely the foe of unemployment, we are divided into political parties. Instead of standing united to solve this problem we are not united.

I believe our Prime Minister and the present government deserve a great deal of credit. I do not know where a great many of the municipalities would have been had it not been for the service given by the government now in office, because the government which preceded us for nearly nine years did nothing but make a political football of the whole problem. I mentioned between 1921 to 1930 the matter of unemployment on many occasions. May I say in passing that I would advise the hon. member for West Lambton who seconded the motion and is a past-president of the Sarnia senior rugby team dominion champions, to sign the hon. member for St. James and the members of the cabinet of the former administration as members of his team next year on account of the football they made of unemployment from 1921 to 1930.

The hon. member for Vancouver Centre made reference to two paragraphs in the speech from the throne. I have looked through the speeches from the throne for many years, and as a result I am led to make these observations. In the year 1926 I complained about the unemployment situation. At page 91 of the debates for that year I am reported as follows:

> I very much regret that in the speech from the throne the government has given no indication that they are going to take any active steps to solve the economic ills of the country. There is the problem, for instance, of unemployment. Unemployment to-day in the larger centres of population is very acute. I might refer to the unemployment in the large manufacturing city from which I come. I know the conditions there, and I know that in the past three or four days very rapid preparations have been made by the social and charitable institutions and the public bodies of various kinds in the city to try and cope with the unemployment situation with which we shall be faced this coming winter.

We find nothing about unemployment in the speech from the throne of that year or for many years in which the previous government held office. The government which took office in 1921 had before it a report on unemployment ordered by the Union government in 1919 under Mr. Justice Mathers of Winnipeg. This report came as a result of a national industrial conference which sat under Mr. Justice Mathers of Winnipeg. They travelled across Canada hearing evidence from public, commercial and manufacturing bodies. Later they made a report to the government in the fall of 1921, stating:

> We recommended to your government—
>
> The Union government—
>
> —the question of making some provision by a system of state social insurance for those who through no fault of their own are unable to work, whether the inability arises from lack of opportunity, sickness, invalidity or old age. Such insurance would remove the spectre of fear which now haunts the wage earner and make him a more contented and better citizen.

Last night the hon. member for Vancouver Centre urged, as one of his nine points, the calling of another conference. By the time the Liberal party have another conference instead of being in the house of industry the unemployed will be dead and gone. By the time the Liberal party have another conference the unemployed will be dead and in

the cemetery. My hon. friend from Vancouver Centre (Mr. Mackenzie) proposed a dominion-provincial conference to consider the question of financial relations between the provinces and the dominion, and secondly to consider unemployment, Canada's most urgent problem. The late Liberal government were nine years in power and had a report before them recommending sickness and unemployment insurance, and yet they did nothing to give effect to it. I myself brought this matter to the attention of parliament on many occasions in the nine years the Liberals were in power, and motions were also moved by my hon. friend from North Winnipeg (Mr. Heaps). I was a member of the committee on industrial and international relations for many years, and I supported this particular policy from the time that I entered the house till I left it in 1930, and I continually brought the matter to the attention of the late government. As late as February 25, 1929, I had this question on the order paper:

1. Has the government any plans for providing employment for the great body of the unemployed?
2. If so, what are they and what action will be taken, and when?

Mr. Heenan:

1. The question of unemployment is one for the provincial governments.
2. Answered by No. 1.

That was all they thought of it. That was the government of which my hon. friend from St. James (Mr. Rinfret) was a member. On March 5, 1930, I asked the government this question respecting unemployment relief:

1. Has the government any plans for providing useful employment for the great body of the unemployed?
2. If so, what relief will be afforded?
3. Will the government accept the offer of the province of Ontario to provide one-third of the cost of certain forms of relief in conjunction with the federal and municipal authority; if not, why not?

Instead of answering that question the Liberal government asked to have it ruled out of order. I asked another question on March 13, 1930, with reference to an advisory economic committee. This was my question:

Will the government consider the appointment of an advisory economic committee for Canada to deal with economic questions?

The reply of the then Prime Minister (Mr. Mackenzie King) was this:

This and kindred subjects are receiving the attention of the government.

In 1927 my hon. friend from Winnipeg moved a resolution in the house, and asked to have it referred to the industrial and international relations committee. That motion was talked out of the house. By whom? It was talked out of the house on two occasions, in 1927 and again in 1928, by members who were supporting the government of that day. They prevented the hon. gentleman from having his case considered by the industrial and international relations committee at that time. It was just about that time that I presented the following resolution, adopted in 1927 by the ministerial association of the country:

Your committee, after careful enquiry and conference, respectfully submits concrete proposals, designed to help in solving the problems of relief and unemployment.

Your committee is conscious that results will depend upon the birth and cultivation of a public conscience, which shall demand that standard of living in which no worthy citizen or his or her dependents shall suffer from hunger or cold by the operation of economic or other conditions beyond his or their control. To secure this conscience demands tact, tenacity and widespread use of the pulpit, the press, the platform, and every other form of advocacy.

Your committee believes that this association must employ its strength and zeal with determination to obtain the defined objectives.

Unemployment is an unsolved but solvable problem. It results generally from the operation of forces beyond the direct control of the wage-earner, and constitutes a menace and challenge to every citizen.

Your committee believes unemployment contributes to the moral, mental and physical deterioration of our citizens, and involves immense annual economic losses. It permits thousands of children to exist cold, neglected, under-nourished, and exposed to the most serious afflictions affecting the human race; it robs womanhood and manhood of character, their sense of self-respect, and shadows their life outlook with shame and despair; it demoralizes unfolding youth, begets beggars and vagrants; it is so far reaching in its effect upon society that generations unborn will reap the awful harvest which follows inevitably in its wake.

Your committee believes the burden of responsibility to be a joint one resting upon all citizens and in particular embracing the federal, provincial and civic administrations. It would appear that the federal government has not been impressed by the serious and accumulative consequences of unemployment upon the citizens of the dominion.

Right down to the day the Liberal government left office I cannot find that they did anything of a practical nature to solve the unemployment problem, or to give relief to the municipalities of Canada, or to pay the municipalities one-third of the cost of relief. The municipalities had to deal with the unemployment problem for several years before the present government came into office, and before they got the help of this government, which was the most worthy help that was ever given to them. I do not know where

the constituents of my hon. friend from St. James would have been had it not been for the help that this government gave in the matter of unemployment relief and for the great work done by the Prime Minister and his cabinet to solve this unemployment problem.

This question also came up in the House of Commons in the session of 1923 in connection with the combines act. One of the main causes of the unemployment we have to-day has been the gigantic mergers and trusts and combines in restraint of trade which flourished unmolested from 1921 down to 1930, when the Liberals were in power. During that debate I proposed to write into the criminal code of this country the Sherman anti-trust law, and I proposed the appointment of a federal trade commissioner for Canada to regulate those abuses. I also proposed to add a section to the criminal code to give the grand jury at the assizes power to do the very work which a committee of this House of Commons has been doing for the past fifteen months, but that matter was not even considered by the government. I brought it up on many other occasions but it was rejected. So we can see, Mr. Speaker, all that was done by the Liberal government for the unemployed.

Another cause of unemployment has been the policy of economic liberalism in this country. Away back in the session of 1923, on the nineteenth of March, I moved a resolution in the house on Canada's coal supply, urging that we should have a national fuel policy for the people of this country so that we would not be left dependent on the United States. That resolution urged that the government immediately consider an all-British and Canadian coal supply for Canada, whether the coal came from Wales, the maritimes or Alberta. When I proposed in this house a system of bonuses and subventions and subsidies for coal and grain and steel and iron, what was the policy of the government of which the hon. member for St. James was a member? It was to oppose the policy which I advocated, and not once but three or four years. Where would the maritimes have been to-day if it had not been for the policy which the Conservative party adopted under the leadership of the present Prime Minister? He is leading a party of reform, a party of real liberalism as we had it in England a hundred years ago at the time of the industrial revolution. Where would the maritimes have been had it not been for the assistance which the leader of this government gave them following out the policy advocated in my resolution which on many occasions hon. gentlemen opposite voted down? As a result of that policy the coal and steel and iron industries, which were withering industries in the maritimes, are to-day progressive and on the road to recovery.

What about grain? Agriculture, coal, and steel and iron are the three great key industries in this country, and the Conservative party has always been a consistent protectionist party with respect to them. The Conservative party under the leadership of the Prime Minister believes in giving protection to our own industries and in eliminating the abuses in the capitalist system. The basis of our policy has always been protection for two great classes in this country, agriculture and the industrial workers. Our policy has been our own work for our own workmen, and our own markets for our own products. That is what made Canada a great industrial country, the country it is to-day. And where was the Liberal party in regard to this problem in the prairies? Where was the Hon. Mr. Crerar, who came down to my riding, a former Home bank director? Where were all these free traders? They were contending all along that the grain industry was a north and south industry, instead of an east and west industry, and they proposed free trade north and south. But we could not get any grain into the United States except our hard wheat. Afterwards there was an inquiry in the house and the then Prime Minister appointed Mr. Justice Turgeon of the Supreme Court of Saskatchewan to look into the question. Mr. Justice Turgeon found the very thing that I have pointed out; he said that there had been bootlegging of hard wheat in the elevators at Buffalo, Baltimore, New York and Boston. I was there and saw it myself. A great protectionist paper in Toronto, the Evening Telegram, spent thousands of dollars to prove its case, and it did prove it; and that is one of the reasons why the farmers of the prairies are in the condition in which they find themselves to-day. When the government of Sir William Hearst went out of power and the Drury government came in, Mr. Drury was not very long in office before he presented to the Prime Minister of this country in 1924 a resolution of the Canadian council of agriculture, and he denounced the manufacturers of Ontario and Quebec as thieves and robbers. The resolution complained that the farmers on the prairies had suffered from many unmitigated evils for many years, that the farmers

had been exploited and plundered by those who enjoyed special privileges, and they requested to be relieved of the artificial barriers that stood in their way. Well, Ontario got rid of one of these obstacles in the form of the Drury government. Mr. Drury so denounced the manufacturers of Ontario that no manufacturer would invest any money in that province during the time that government was in office, with the result that industry got into a very bad state indeed. And where was Mr. Crerar all that time? I was never very enthusiastic about the Union government, but I will say this, that that goverment made a courageous effort in 1919 to rescue the farmers of the prairies, the people who were actually growing the grain, from these exploiters. As I said at that time, the greatest enemy of the man who grew grain in the prairies was not the manufacturer east of the great lakes but the big interests west of the great lakes, the grain combines and exchanges and elevator and transportation monopolies. Again I ask, where were these free traders when the grain industry was suffering in this way? We find that eventually they have had to come and ask this government to give them protection for this withering industry; they want a stabilization fund. But they were supporting free trade at that time. Mr. Crerar and his friends secured an injunction to prevent an investigation into the alleged system of robbery of the man who grows grain, but the Union government—and I give them credit for this—did try to do something practical for the farmers.

I have referred the house to two or three matters in connection with economic liberalisms, the economic liberalism of the Manchester school. I submit that the government of Canada might have done something practical regarding the St. Lawrence waterway. There was issued the other day a report to congress showing the magnificent success of the Panama canal. We know that they all laughed at Theodore Roosevelt when he put through that canal, but it is a magnificent success to-day, and no one knows how much it has contributed to employment the world over. If the government in 1921 had done something practical in connection with the St. Lawrence waterway, in conjunction with the United States, if they had pressed the matter year after year, we would have been prepared to meet the unemployment situation. Again, between 1921 and 1930 the question of a national hydro policy for this country came under consideration. What greater agency for the development of a country could there have been than that—a policy proposed right in this house. We have 42,000,000 horse power in this country and only 7,000,000 developed, just one-sixth of all the potential water power capacity at our disposal. What was the policy of hon. gentlemen opposite when this matter was up, when the province of Ontario came here asking for a lead and proposed a federal policy for this country so that all power development power would be generated at cost and distributed to the two central provinces? The government of that day did nothing to put that policy into effect.

I say that we should all emulate the King in the calm words he used a year ago. There should be calm words here instead of narrow partisanship. What did His Majesty say over the radio? His words were heard throughout the world on Christmas day a year ago, and I venture to say that if you canvassed the opinion of all reasonable men who heard him they would agree that we should reform our system. As the King said, we should have those qualities of unshakable sanity, invincible patience and tireless good will; those are the qualities we need to-day, which His Majesty so fittingly commended on that occasion. Hon. gentlemen opposite criticize the present government but I do not hesitate to say that this government did more in three months after coming into power, they did more for the unemployed in that time, than was done in the whole nine years the Liberal party was in office. This party has never been partial to the dole; the dole is only a temporary expedient, something which is intended to meet an emergency. As President Roosevelt said the other day, the lessons of history, confirmed by the evidence immediately before him, were conclusive on this point, that continued dependence upon relief tended towards moral disintegration and the fundamental destruction of moral fibre. As he said, the dole is a narcotic to the human spirit; it is inimical to the dictates of sound policy; it is a violation of the liberties of America. He urged work for every able bodied man and said that the federal government must quit the business of relief.

What did the Liberal party in this country do from 1921 to 1930? Owing to their complete failure to take any steps, the government which followed them in 1930 could do nothing but come to the aid of the struggling municipalities and assist them and the provinces, because many of the municipalities were facing bankruptcy. I do not know where the municipalities would have been had it not been for the aid that this government extended to them. It seems to me that the

Liberal party in Canada failed to realize the inroads which science had been making during the past nine or ten years into human labour; the machine has been the cause of unemployment everywhere. The machine is doing the work of man and man is not employed. All wealth was once created by the working classes and the soil combined; now it is created by the machine. The inventors, the rationalizers, the mass production experts, the clever fellows who have developed control over inanimate nature are making it more and more difficult for men to get employment. Judged by the old standard, the Canadian workmen's capacity to produce goods and services, the ordinary citizen would not be worth his salt; the machine can do the work better and more cheaply. But surely that is an absurd position for an industrial society to find itself in. For man first, last and always is the most important thing in civilization and a machine can produce everything but ideas.

We are living in a jobless age. Just the other day reference was made in the house to those of our population who were around eighteen years of age as living in a jobless age. What is going to be done with them I do not know, but it is a problem regarding which I hope we shall get some constructive suggestions from hon. members opposite. I notice we did get one from the hon. member for West Edmonton (Mr. Stewart) after hon. members on this side had made the very same proposals several years ago and again about a month ago in the house.

The question of unemployment insurance was brought up by the hon. member for North Winnipeg on March 16, 1927, and it was talked out at six o'clock by Liberal members. His motion was to refer the question to the committee on industrial and international relations. The question of unemployment insurance referred to by the hon. member for Vancouver Centre last night was part and parcel of the Liberal platform, if you please, away back in 1919. Clause number 7 of this platform reads as follows:

> That in so far as may be practicable, having regard to Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces; and that on matters pertaining to industrial and social legislation, an effort should be made to overcome any question of jurisdiction between the dominion and the provinces by effective cooperation between the several governments.

That was the platform of the Liberal party in 1919. They were elected to office on that in 1921, but although they remained in office for nine years they did nothing to put that platform into effect. Of course, as we know, a platform, as the late Hon. Israel J. Tarte said was made to get in on and not to stand on.

We have had visits from many hon. gentlemen opposite to my city, and in view of the partisan attitude taken by them in regard to this question I would like to refer to a brilliant book entitled The New Conservatism, written by Mr. W. S. Morrison, a British member of parliament, one of the most gifted of the younger Conservatives, and slated, as many British papers say, for very high office in Great Britain. He is criticizing the many-party system in his country. Speaking of Great Britain, he says:

> The two old parties are done unless they open their ranks to new men and their minds to new ideas. There should be a modification of the present system or we will make a socialist government possible. The two old parties must be a constructive force for the building of a healthy social order based on economic and spiritual freedom or give place to those who have got an alternative program as an alternative to socialism. It is these conservatives that are the hope of the country.

These are the words of a great political leader of England, a young member of the British House of Commons and a man, as the London papers say, destined to high office in that country.

The municipalities are bearing a very heavy burden at the present time and this new legislation will be gladly welcomed by all classes of people. The industrial workers of this country are suffering as never before. As I said in the house the other day we need in parliament a type of member to bring to the attention of the house the anitiquated conditions of labour and of our maritime laws on the great lakes and their effect on unemployment and shipping. It seems more profitable for owners to lose vessels than to salvage them; our ship owners are protected by insurance. On the other hand in the fall of the year insurance for loss of life is practically nil in the upper lakes and because of this we have acute unemployment and many are suffering.

The dole is a help, but not a final remedy; it is only temporary. The policy of the Conservative party, notwithstanding statements made by hon. gentlemen opposite last night to the contrary, is not to place any more burdens or artificial barriers on business or trade and commerce or industry in this

country, for to do so would not be modern protection. As our leader has said, I believe the new Conservative doctrine will be a greater aid to business, trade and commerce and industry generally than ever before, with protection brought up to date to take care of the consumer and labourer, to eliminate the abuses of the trusts, combines and mergers in restraint of trade which have borne so heavy a part in the unemployment of our people.

In the by-election in East Toronto we had a visit from many members of parliament from all over the country. The mover of the resolution, the hon. member for Vancouver Centre, and many others were there. The issue raised in that riding was "Beat Bennett and bad times." As I said on that occasion, the present Prime Minister, the leader of the opposition when he was Prime Minister and the leader of the Progressive party had nothing to do with the condition into which the country had fallen; this was caused by world economic conditions brought about by the war and the disturbance of the industrial equilibrium. In that riding I paid tribute along that line not only to the head of the present government but to the other two hon. gentlemen to whom I have referred. I would be most unfair if I were to say of the Liberal leader what the hon. member for Vancouver Centre has said of ours, that he was responsible for conditions at that time.

Mr. ROBERT McKENZIE (Assiniboia): Mr. Speaker, I desire to discuss briefly the amendment now before the house. The hon. member for Vancouver Centre (Mr. Mackenzie), in moving this resolution, brought forcibly before us the fact that the most urgent matter at present confronting the people of Canada is being sadly neglected by the present government. The resolution reads:

> This house regrets that, notwithstanding the specific promises made prior to the elections of 1930, and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

We are faced to-day with the most serious problem of unemployment that has ever confronted this country; we are faced too with a government that during the election campaign of 1930 promised the electorate that they had a formula for the cure of unemployment and that if they were returned to power they would not only relieve the existing situation but absolutely cure it. The present Prime Minister (Mr. Bennett) was most emphatic in his statements at that time; and some of the statements he made were put on Hansard last night by the hon. member who moved the resolution. He said he would cure unemployment or perish in the attempt. Now after a lapse of four and a half years we come back and are told by the right hon. gentleman who was leading the house last night (Sir George Perley) that we should not criticize the government, and we were told something the same this afternoon by the hon. member for East Essex (Mr. Morand). They say we should not criticize, that we should offer suggestions; but ever since the short session of 1930 we have been offering constructive suggestions to this government. If they look up the records of 1930 and every session since, they will see that not only my right hon. leader (Mr. Mackenzie King) but others of this party have offered very constructive suggestions, which the government did not see fit to accept. Now, after a lapse of four and a half years this government must be judged by the results of the policies that they have put in force, and not by the promises that they are making for the future. The promises they made in 1930 that have not been fulfilled are still vividly in the minds of the people of Canada, and the government is to be judged by them rather than by the new array of promises that the Prime Minister broadcast at the new year.

In 1930, according to the records given at the short session of that year, there were 117,000 unemployed in Canada. That was just a little over the normal proportion of unemployment of the country. To-day we have over a million on relief. Not only has unemployment increased under this government, but trade has very materially decreased. In 1930 the total foreign trade of Canada, export and import, was over $2,000,000,000. In the last fiscal year it was down to $1,150,000,000 or thereabouts. It is further noticeable that the trade with the United Kingdom in 1930 was something over $474,000,000. We have heard a great deal about the benefits that the people of Canada got from the empire trade agreements, but in the last fiscal year the total trade with the United Kingdom was only about $343,000,000, or less by $130,000,000 than it was in 1930. In 1930 the sales tax was one per cent; at present it is six per cent, and

not only that but this government have added practically all the nuisance taxes that we ever had during and following the war.

An hon. MEMBER: And sugar.

Mr. McKENZIE (Assiniboia): Yes, sugar, as my hon. friend reminds me. Then we hear a great deal to-day about our railway problem. No doubt it is a tremendous problem, but we did not hear much about it in 1930. I believe the main trouble with our railways to-day is lack of tonnage, largely a result of the policies of the present government. Not only is that true, but there is the condition of the farmers. In the part of the country from which I come they are practically bankrupt. I believe it is safe to say that seventy-five per cent of them are absolutely bankrupt, and another ten or fifteen per cent nearly so. It will be impossible for Canada to recover from the depression until more of our people are gainfully employed in useful occupations, and the obligation rests upon this government, which won the election of 1930 by promises to solve the unemployment problem, to bring in measures that will bring about that employment.

Last night the right hon. leader of the house told us that Canada was recovering from the depression faster than other countries. Coming from western Canada I cannot see much to be elated over or to be optimistic about in regard to recovery. I believe that any improvement there is in Canada is largely reflected from the N.R.A. in the United States. Instead of finding fault with us for our criticism of the government's policies the people of the country are wondering why the opposition have been so silent regarding the policies introduced this session. It is true that some social legislation has been introduced, but it has been disappointing in comparison with what the people were led to expect after hearing the Prime Minister in his broadcast on January 2 and on three or four subsequent occasions. So far as I can learn the part of the country that I represent can receive no benefit whatsoever from the unemployment bill. The other day I asked the Prime Minister whether or not the coal miners in my part of the country could benefit under it. He rather evaded the question; he did not give a very definite answer, but from what I could gather there is no hope whatever of those men receiving any benefit from this legislation, and of course the farming community cannot benefit.

This country has been going from bad to worse for the last four or five years as far as employment is concerned. We began to take the toboggan immediately after the high tariff legislation introduced at the special session in 1930. It may be true that there has been a slight improvement during the past few months. This government introduced their "Canada first" policy in 1930 and tried to make Canada self sustained. Now if there is one country in the world that we look upon as largely capable of being self contained it is the United States, but even the United States has to import a considerable number of products, for instance nickel, and pulpwood, and other products which they must obtain in Canada. They also must import rubber. Great Britain must import at least two-thirds of her foodstuffs; France has to import oil. Every civilized country has to import some product; it is impossible for even the older nations of the world to be self contained. Therefore it was utter folly to think of Canada becoming a self contained nation. This government's policies have now been in operation for over four years, and it has been established beyond doubt that their theories and formulas for the improvement of the situation have failed and are of no avail. I have always been at a loss to understand why this government took the attitude they did, particularly following the short session of 1930. The Prime Minister seemed to think that all he had to do was to increase the tariff and the unemployment situation would be relieved and prosperity would return. But after he saw the effect of that policy I cannot understand why the government continued it. In 1930, when business collapsed and wages and salaries went down, the prices of commodities would have declined also had it not been for the high tariff policy of the government. I do not understand how the government ever thought it would be possible for the labouring men of this country, who received very moderate salaries and who, owing to the policies of this administration, had their wages reduced—because high tariffs and low wages go hand in hand—to continue to pay for what they had to buy, their clothing, their food and other requirements, at the old prices. Not only that, but if the labouring man was a taxpayer his taxes were greatly increased. The situation of the farmers was even worse; their incomes were reduced in many cases by as much as seventy-

five per cent, but still they were expected to pay the same prices for everything they had to buy, as well as increased taxes.

I remember that in 1931 the Minister of Agriculture (Mr. Weir), who was fresh from the province of Saskatchewan and who knew the feeling of the farmers of that province with regard to high tariffs, introduced a measure providing for a bonus on wheat, and said that it was a compensating adjustment to the farmers of western Canada in view of the high tariffs that had been raised. I have been waiting to hear what the minister is going to introduce now as a compensating adjustment to the farmers of the west not only because of the high tariffs but also because of the extra taxes they will have to pay for the administration of this unemployment insurance measure. The farmers cannot benefit from that measure any more than they can benefit from high tariffs; it is impossible for the farmers to benefit from either.

It seems to me the government are very lax in regard to measures to relieve the unemployment situation. There is nothing in the legislation that has been brought down, including the unemployment insurance bill, to relieve the present unemployment situation. In addition there are many other challenges presenting themselves to the government, with which the government are not grappling. In the first place there is the interest on our bonded indebtedness. Some few years ago, after the government had negotiated a loan of some $200,000,000 at five per cent interest, I said that I believed they could have borrowed that money for at least one per cent less, which would have meant a considerable saving in the annual interest. This interest on our bonded indebtedness makes a very considerable levy on our income each year, and the problem must be dealt with sooner or later. In addition we have another problem facing us; I refer to the pension indebtedness of the country. I have often asked myself why every person working for the government should be entitled to a pension. Sooner or later this pension business will have to be dealt with. I believe we are overdoing it. It is a good thing, but you can easily overdo a good thing, and I believe our pension schemes have been entirely overdone. There is also another matter which I believe must be dealt with; I refer to over-employment in our civil service. I have received quite a number of letters from people in my constituency complaining that there are too many people being employed by the government in the higher salaried classes. I think it is true; I believe there are altogether too many civil servants receiving exorbitant salaries.

The unemployment situation is the most serious problem confronting us, but there is another great problem which should be considered by the government and which has not been dealt with by any of the legislation that has been brought down. That question is how our farmers are to survive the present depression. They cannot survive unless something is done, by reducing interest and in other ways, in order to help them. It cannot be done by increasing their taxes through the introduction of such measures as the unemployment insurance bill, which the Prime Minister told us would mean the addition of four thousand employees to the civil service. The farmers are going to ask just what they will receive from this legislation, and I ask the government before this session is finished to endeavour to devise some scheme whereby the farmers can be kept on the land and helped through the present depression.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

FISHERIES ACT AMENDMENT

The house resumed from Friday, February 15, consideration of the motion of Mr. Reid for the second reading of Bill No. 17, to amend the Fisheries Act, 1932.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I should like to make a few observations on the second reading of Bill No. 17. First may I say I believe it would have been better had this matter been brought before the house by way of resolution. Probably that action would not have been quite so spectacular from a political standpoint, but I believe it would have been just as effective, perhaps more so, than the method which has been adopted of bringing it to the attention of hon. members. I do not believe it was ever intended that parliament should replace regulations by legislation in matters of administration under the control of the departments. If we are to undertake to adjust by legislation every grievance in every corner of this great country, then we must be prepared to sit here twelve months of the year not only to pass legislation but to amend it.

Let me point out the danger in the present instance. So far as I am concerned, if the bill receives second reading, well and good. In that event the principle would be adopted, and seining would be prohibited in district

No. 1, British Columbia. If the bill is defeated on second reading, then the matter is closed. I doubt very much whether all hon. members from British Columbia will support the bill, but even if they did a majority of the house may not see fit to interfere with the regulations as applied to certain fishing districts on the Pacific coast. That is a matter which in my view should rest entirely in the hands of the minister and the government. Under the act the parliament of Canada has given powers of regulation. Nevertheless I welcome this opportunity to discuss this matter and to bring directly to the attention of the minister and the government certain conditions pertaining to seine fishing at the mouth of the Fraser river.

The constituency I have the honour to represent is perhaps not so much concerned in this matter as the districts lying directly west. While in my constituency there are hundreds depending on the industry, other constituencies number their dependents by thousands. In the Fraser Valley constituency there are, however, a large number of good citizens located along the Friser river who for a number of years have followed the occupation of gill net fishing. Throughout those years they have been able to make a comfortable living for themselves and their families. In the last couple of years they have found their incomes greatly curtailed, in some instances to such an extent that municipalities have represented to me and to other hon. members that in the past year some of the families of these men have had to accept relief.

I have discussed the matter with representatives of the gill net fishermen, and they have protested strongly against the department permitting seine fishing in district No. 1. Their submission is that seine fishing is most destructive and will eventually destroy the established industry of gill net fishing on the Fraser river. I have discussed the matter not only with the representatives of the fishermen but with the Department of Fisheries, and I believe it would be only fair to the department to place on record the main reasons given for the introduction of seining in this particular district. I have before me a memorandum prepared by the department, and I shall quote that portion which presents their side of the case, following which I shall undertake to place on record the facts presented by the fishermen.

The first point presented by the department is as follows:

> The main runs of the different species of salmon to the Fraser make their way to Canadian waters through Juan de Fuca strait and the lower portion of the gulf of Georgia that is within United States waters, During that time by far the largest portion of the catches that are made on both sides of the line is effected in the United States waters with purse seines and trap nets.

The argument there is that we should get in and catch some of the fish now being taken by the Americans. The fishermen point out that apparently the Americans have seen the error of their ways in the using of traps, and have taken them out. There is also the possibility of the Americans prohibiting seining. Even the continued use of seines in American waters is not a good argument for the use of seines in Canadian waters. I am advised there is no comparison between seining at the mouth of the Fraser river and seining on the American side of the line. On the American side, the fish travelling more or less rapidly towards the mouth of the Fraser river, about two hundred seine boats are scattered over a distance approximately of two hundred miles whereas on the Canadian side of the line over one hundred seine boats are operating over a distance of less than ten miles. As the regulations stand there is nothing to prevent another hundred boats moving in, whenever they wish. It is a well known fact that as the sockeye cross the Canadian border the water becomes more brackish, and the fish on entering fresh water have a tendency to slow down, to play around and to gather in schools in preparation for entering the river. This is where the seines get in their deadly work and where the slaughter is wholesale. To show just how deadly seine fishing can be, my attention was drawn to a report of one week's seining allowed by the department in district No. 1 during the first week of September, 1934. The report showed that the last day's catch of the week was only ten per cent of the first day's catch, indicating that all the fish had been caught. That deals with the question so far as the competition with the American fishermen is concerned.

The main argument lodged by the department has to do with quality. I have before me the particular portion of the memorandum dealing with that point; it reads as follows:

> While the pink salmon are in first class condition all the time they are in United States waters, and while as a consequence vastly larger quantities of them have been packed there than has been the case on the Canadian side, unfortunately for us we are faced with the fact that by the time these fish reach the

Fraser river waters they are so nearly approaching spawning condition that their quality has fallen off, and it continues to deteriorate so much that it is only the earlier fish that will make a creditable pack. Since inspection of canned salmon became a factor, there is much less readiness to pack poor quality goods than was previously the case. Consequently if fishing for pinks were restricted on our side to gill netting, gill net catches would be bound to be small owing to the lack of demand for the fish.

Then further, referring to the late run of sockeye:

Since 1926 there has been coming to the Fraser in quite large quantities what are commonly called late run sockeye. These have been occurring two years out of the four year cycle; that is, 1926 and 1927, again in 1930 and 1931, and again in 1934 and 1935. These fish, like the pinks, while of good quality when they are in the United States waters, are definitely off quality when they begin to ascend the Fraser, so if purse seining for them were not permitted and inspection maintained, as with the pinks, there would be little demand for them from the gill netters.

I should like to refer to the first paragraph I quoted in regard to quality. It says that the pink salmon are so nearly approaching spawning condition by the time they reach the Fraser river that their quality has fallen off. Those of us who live on the Fraser river know that the spawning grounds are from fifty to sixty or seventy-five miles, and perhaps further than that, from the mouth of the Fraser. We are also told by those who are in a position to judge that these fish feed while in salt water, and that they cease to feed as soon as they enter the fresh water, and that is the time that the fish is in a better condition.

As to quality, the gill net fishermen point out that the pink salmon, whether taken by seine or gill net, are caught in practically the same waters, the boats even operating side by side, and if there is any difference in the quality it should be in favour of the gill net caught fish as there is a vast difference in the handling of the catch en route to the canneries. The gill net fish are collected in small boats, the loads rarely exceeding three thousand fish, while the seine boats carry a load of from 20,000 to 30,000 fish, and these fish are dropped from the brail, a distance of from twelve to fifteen feet. Naturally, with a soft fish like the pink salmon, the weight of this load, approximately seventy-five tons, when packed into a wedge shaped hull leaves the bottom fish in a mess that has to be seen to be appreciated. Often five thousand or more of the fish at the bottom of the boat have to be thrown overboard, and there is no doubt that a certain percentage of the others are not in prime condition. Undoubtedly the fish caught and handled in this manner must account for a considerable proportion of the so-called inferior grade. But that is the system by which this country, apparently, through the ruling of the department, is endeavouring to obtain a higher grade product.

These men claim that the late run of sockeye and pink salmon might be caught while they are in better condition if there were a longer weekly closed season and the fish were permitted to enter the river while in prime condition. The high quality of the pack would then be maintained without the use of seines.

Hon. gentlemen may have noticed that reference was made in the first paragraph of the memorandum from which I have quoted to gill net fishermen being unable to supply the fish in quantity. The gill net fishermen have made application year after year to increase the length of their nets 150 to 200 fathoms in order that they might increase the size of their catch.

On the question of quality, we have as evidence, that the gill net fish are of a higher quality in the fact that last year the gill net fishermen received sixty cents for their fish while the seiners received fifty cents.

It has been represented by certain interests that the trouble in this district No. 1 is between two classes of fishermen. That is not the case. The trouble is between the interests that own practically all the seine boats and equipment, and the fishermen; and I wish to point out that the interests that own the seine boats and equipment require five-twelfths of the catch to be handed over to them in lieu of their investment. But these big interests are not the only ones that have a heavy investment in the fishing industry. The gill net fishermen also have a very large investment, and that brings me to the claim which these men make that many misleading figures have been published by the department regarding their income, their investment, and the number of boats engaged in the gill net fishing industry. Apparently this information has been secured from the canning and packing industry. The figures issued by the department show an investment by the gill net fishermen of some $800,000, while the fishermen themselves claim that their investment is closer to $2,000,000. The number of boats estimated by the department engaged in gill net fishing is 1,600, which the men claim is an error; they state that during the last

sockeye season no less than 3,500 gill net boats were engaged in fishing in district No. 1.

It would appear to me that the question to be considered is this: Is it in the best interests of this country to continue to curtail the income of thousands of our citizens in order to satisfy the claim made by the department that a better grade of fish is being secured through seine fishing than through gill net fishing? I would say that no satisfactory evidence has been produced in support of that claim. My own opinion and it is based on information which I have secured from the men and from the department, is that it would be wise to prohibit seining for the next two years in order to check up on this question of quality. Oh, yes, the department tell us that they have no intention of permitting seining next year, the reason being that there will be no fish. But this is the year of the big run, and that is one reason why I think that the minister and the government in view of conditions should consider seriously throwing it open to the gill net fishermen and give them the advantage in this year of the big run.

I am quite willing to leave this matter to the judgment of the minister. I suggest to him that if he has not satisfactory evidence before him to justify making this change and cancelling the present regulation, he appoint someone perhaps outside the department, someone who is not interested in the canning or packing business, to go out into that district and go right out on the land or on the water and investigate and secure any information which the minister might require in order to deal with this matter.

Mr. ANGUS MacINNIS (Vancouver South): I wish to say a few words in support of Bill No. 17 introduced by the hon. member for New Westminster (Mr. Reid). To me this is the age old question, as old at least as capitalism itself, of hand production versus machine production. Gill net fishing is a form of hand fishing and purse seine fishing is a form of large scale production. There are two questions which the government should keep in mind: first of all, the preservation of the fish in the fishing areas so that there may be supplies of fish so long as there are any human beings in need of them; and secondly, the welfare of all those engaged in the fishing industry. The fishing industry should be considered as a means of livelihood for the people in the surrounding country. If more people can secure a livelihood by the use of the seine, then that would be the proper method to follow. But it seems to me it has been proved that this is not so; it has been proved that seine fishing deprives a great number of fishermen of their livelihood while it gives a greater advantage to a small number of canners. That being so, I think the position of the minister is rather an easy one, regardless of what may have been done in the department before he came into office. He is now the minister and he is not bound by what took place before he took that office.

I do not know whether it would have been better to bring this matter before the house by way of a resolution rather than in the form of a bill, but I do not think it makes much difference. If the government would have accepted a resolution there is no reason why they cannot accept the bill. I was not here when the matter was discussed, but I understand that the hon. member introducing it asked that it be referred to the fisheries committee. I hope that the minister will see his way clear to refer it to that committee, and that when that is done an opportunity will be given some of the representatives of the gill net fishermen to appear before the committee. I attended a meeting in New Westminster early in the winter when the deputy minister, Doctor Found, was present, and I am sure that anyone who was at that meeting must have been struck with the intense feeling of the gill net fishermen. They had a feeling that they were being done out of their livelihood by the use of seines. I appeal to the minister to allow the bill to go to the committee on fisheries. I am pleased at the reasonable attitude adopted by the hon. member for Fraser Valley (Mr. Barber), and I add my word to his in an appeal to the minister to have the bill referred to the fisheries committee, where it may be discussed on its merits.

Hon. GROTE STIRLING (Acting Minister of Fisheries): The hon. member who sponsors this bill (Mr. Reid) proposes to prohibit the catching of salmon by the use of purse seines. This is a controversial matter which has been before the house on previous occasions, but no one has ever attempted to deal with it by inserting in the Fisheries Act an amendment which would prohibit the use of purse seines. When I was out on the Pacific coast early in December I had the privilege of meeting delegations from the gill netters, from the purse seine men and from the canners. On the latter occasion only passing reference was made to this question. The hon. member who sponsors this bill was present when I met the gill netters. In his statement before the house on the second

reading he, in my opinion, stated but one side of the question; and because he omitted several points which I think are salient, I propose to devote a few minutes to placing those points before the house.

Prior to 1916 the taking of salmon in these waters which we are discussing was prohibited after August 25, and the reason therefor was that the fish towards the end of the main run were not in prime condition for canning purposes after that date. They enter the straits of Juan de Fuca and hug the Washington coast, and are taken there by the United States fishermen in far greater quantities than they are on the Canadian side of the line running down the centre of those straits. As the hon. member for Fraser Valley (Mr. Barber) has said, until recently they have been taken in fish traps by United States fishermen, and by purse seiners as well. The fish traps have now been prohibited, and whether that prohibition will continue or not time only will tell. But intruded into this question of recent years has been the extensive runs of late sockeye. These fish come around on the Washington coast, and it is not until they enter the Canadian waters along the line running close to Boundary Bay, which is not so many miles south of the mouth of the Fraser river, that they can be taken by Canadian fishermen. The gill netters fish in the Fraser river and in the discoloured waters of the gulf of Georgia adjacent to the mouth of it, and they confine their attention principally to these discoloured waters, because in the clearer waters of the gulf the drifting gill net is visible to the fish and the fish at least endeavour to avoid it. The consequence is that the gill netters are found principally in the discoloured waters at the mouth of the Fraser river, and if they do move on into the adjacent clear water they find that they are not taking fish in the same quantities, and so they get back into the discoloured water.

Now, after 1916 there was a general desire for an increase of food, and the fishing season was therefore extended to last from July 1 to October 31. The hon. member who sponsors this bill left on the house, I think, the impression that when the seiners began by regulation to fish, they fished in the same waters and presumably for the same length of time as did the gill netters. In 1934 the purse seiners were permitted to fish from September 1, but the gill netters had begun at the beginning of the season on July 1; and on September 8 fishing was stopped by the supervisor of fisheries for conservation reasons. As two of the days between the first and the eighth of September were two weekly days of closing for conservation purposes, the seine fishers fished only for six days at the beginning of September. Conservation having been satisfied, fishing was again permitted on the first of October. So poor was the quality of the fish that the seiners fished for only two or two and a half days and then fishing ceased. Therefore the seiners were allowed by regulation to fish in the clear waters of the gulf, not infringing upon the discoloured waters in which the gill netters fish, for only a total of eight and a half days last fishing season, whereas the gill netters in the river and in the adjacent waters near the mouth were able to fish from July 1 until fishing was stopped except for the two days a week for conservation. I do not think the hon. member made that plain to the house.

With regard to the numbers that he claims are included in the rank of the gill netters, he states that 2,366 gill net fishermen are employed. I do not know the source of his figures, but they do not agree with those of the department and it must surely know the number of licences issued. The total number of fishermen was 1,705, of whom 1,266 were white; 39, Indians; 400, naturalized orientals, and 234, fishermen who had taken licences for other areas and had them later transferred to the Fraser. In addition to the above there were 335 assistants to the fishermen. Of these, 34 were whites, one was an Indian, and 300 were naturalized orientals, making a total of 2,040 instead of the 2,366 mentioned by my hon. friend. Those fishermen and their assistants are, I presume, residents on the banks of the Fraser river and naturally are particularly interested in the process of fishing known as gill net. The seiners on the other hand come from further afield. Last year there were 103 seine boats. As the crew varies in numbers from seven to eleven men, we may say that perhaps 900 would be an average of the crews of the boats. Besides that there were the carrying boats. We may say therefore that there were 1,000 seiners interested. Those seiners come from away up north, from Skeena, Comox-Alberni, the Vancouver district, and they are just as much interested in this question we are discussing as are the gill netters.

The position taken by the department in this controversy has been to endeavour to hold the balance even between these two methods of taking the fish. It became evident in 1930 and 1931 that consequent on the scramble for world markets, the Canadian canners were losing out in those markets owing to the extreme competition of United States and Japanese canneries in the matter

of quality. They could not get a sufficiency of the quality desirable for their first grade canning. The fish, as I have pointed out already, come up and enter the clear waters to the south of the discoloured water at the Fraser river. They apparently cannot toward the end of the season be taken in sufficient quantities to supply the needs of the Canadian canner and consequently by regulation restricted seining was permitted for a certain time. My hon. friend the sponsor of the bill in his earlier statement expressed the opinion that it was not possible for the canners to keep the seine caught fish and the gill net caught fish separate. My information is to the contrary; it is that at least some of the canners are at particular pains to keep the gill net fish separate from the seine fish and so are able to say what proportion of the gill net fish and similarly, what proportion of the seine caught fish are prime, firm in flesh, suitable for a high quality of canning. Their opinion is that toward the end of the season they can get the desired quantity from fish taken in the cold clear waters of the gulf and they are not able to get them from fish taken in the discoloured waters in the Fraser river.

My hon. friend also referred to the fact that regulations were passed by the department and fired at the gill net fishermen without notice. I do not think that is quite a fair statement of the case. Every fall the chief supervisor of fisheries invites from the industry recommendations based on the past season's fishing. Those are received; perhaps they are added to in the form of recommendations by the chief supervisor himself; they are considered; they are tabulated and they are sent out to the fishermen's organizations. Those organizations have an opportunity to express their opinions thereof and then the department takes the necessary steps to arrange what the regulations for the coming season shall be. An order in council is then passed, and obviously it is not possible before the order in council is passed to pass on to those organizations the definite wording of the regulations. When it is passed the fishermen's organizations are so informed. I do not see in what other way it would be possible to keep in touch with those organizations.

It is quite obvious to me that the only role that the Department of Fisheries can take in this matter is to endeavour to hold the balance even. The fish are there to be caught, and surely no one type of fishermen can have a prescriptive right to state what method shall be adopted in order to take the fish. There was a great controversy before the regulations of 1932 were adopted. Every effort was made on the part of the department to try to draw those two sets of people together in order to arrive at a compromise which would satisfy both. When that was found to be impossible and the United States fishermen were taking fish by the millions while the Canadian fishermen were taking them in much smaller quantities, it was evident that something had to be done in order to enable this industry which we have been building up with such success to continue to fill the needs of the market.

My hon. friend suggests that the bill should be permitted to go to the fisheries committee. I cannot accept the principle of the bill, but with that proviso I have no reason to object to its going to the fisheries committee for further consideration and discussion. It must however not be taken that the government accepts the principle of this method of prohibiting the taking of salmon by seines in the waters referred to. My hon. friend has suggested that if the bill should go to the fisheries committee it would be desirable that these fishermen should come and give evidence before the committee. We must wait until the committee makes a recommendation with regard to that but it is quite obvious to me that both contesting parties must have the same opportunity and invitation to come and give their evidence. I very much question whether witnesses coming from that distance can add any new facts to those already collected on the subject, but as I say it is for the committee to state its wishes so far as witnesses are concerned. I do not object to the bill being submitted to the select standing committee on marine and fisheries so long as it is clearly understood that the government does not accept the principle laid down.

Mr. THOMAS REID (New Westminster): As the acting Minister of Fisheries (Mr. Stirling) has stated that he is willing that this matter be considered by the committee on marine and fisheries, my remarks will be very brief. I am disappointed that the minister makes the reservation that the government will not accept the principle of the bill. To me that is a straight direction to the committee in advance that the principle of prohibiting seines in that area does not meet with the approval of his department or of the government. I thought when he was going to refer the bill to the committee he would do so without any such reservation,

allowing the committee to decide the matter after hearing evidence, if they consider it necessary to call evidence.

In view of the fact that the acting minister has stated that in my address the first evening I presented only one side of the matter, let me point out that I have endeavoured to show both sides. I will state one fact to show how keen the cannery men are that only their side of the case shall be given to the minister, and nothing given to members of parliament or others who are interested. In 1931 I endeavoured to learn what the canners were doing, and, hearing that the Deputy Minister of Fisheries was to meet them in Vancouver I made it my business to go there and sit in at the meeting. It was held on a Saturday afternoon. The room was full of cannery men. I asked the deputy minister if he had any objection to my sitting in, and he said no. But when I walked in to the meeting you should have seen the look of consternation on the faces of those canners. Their hair almost stood on end. I said: "Gentlemen, I might just as well tell you who I am. I happen to be the member for New Westminster representing the fishermen of the Fraser river, and I am interested in this industry. I have heard the fishermen's side and now I want to hear the canners' side." One canner got up and said: "Mr. Deputy Minister, I thought this was a private meeting." It became so embarrassing that they did not know what to do. One member said: "I suggest that Mr. Reid go out of the room until we discuss this question." I went out and took my hat and coat and went off; as a member of parliament I was not going to stand waiting like a flunkey outside the door of a canners' meeting. That is the trouble: the deputy minister goes out there and meets the canners and gets an earful from them, and they come to Ottawa and give him another earful and then he holds a meeting with the fishermen. But until such time as a deputation of the fishermen and a deputation of the canners meet together with him on common ground this matter will never be satisfactorily settled. I would welcome the bringing from the Pacific coast of representatives of the canners' interests as well as those of the fishermen. I think now is the time that the whole matter should be gone into.

I was very sorry to hear the hon. member for Fraser Valley (Mr. Barber) say: "I am in favour of this but I do not like the way the hon. member introduced it." Next time perhaps I shall consult him first when I am going to introduce a bill. But, Mr. Speaker, the fact is that if I had introduced this by way of resolution he and a few of his friends might have talked it out and to-day we would find it at the foot of the order paper and so it would never be heard from again. I knew their tricks and their manners, and I introduced it as I did so that it would come squarely before the government. I speak as I feel in this matter because the livelihood of over 2,000 fishermen is at stake; they are threatened with being driven out by the vested interests who control and own most of the seines. I deprecate the acting minister giving the direction to the committee that the government is not going to accept the principle of the bill. I urge on the members of the committee that all interested parties be brought before them so that this whole matter, in which not only the livelihood of the men but the whole salmon industry itself is at stake, shall be fully heard. I am quite willing, however, to accept the suggestion of the minister and leave my further remarks for the committee.

Motion agreed to, bill read the second time and referred to the select standing committee on marine and fisheries.

SUPPLY—UNEMPLOYMENT RELIEF

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed consideration of the motion of Mr. Rhodes for committee of supply and the amendment thereto of Mr. Mackenzie (Vancouver Centre).

Mr. B. M. STITT (Nelson): After listening for something over a month to the declarations of anxiety on the part of hon. members opposite that we should bring down our legislation and go forward with our reforms and get on with the business of the country, the icy blast that inundated this chamber last night from Vancouver came to us with something of a shock.

Mr. DUFF: You are thinking of Hudson bay.

Mr. STITT (Nelson): To my mind all this is nothing short of a crude and organized attempt to divert public attention from the real issue that confronts this house and the people of this country to-day. The reform program of the Prime Minister (Mr. Bennett) is the issue now before the house. I can quite understand our Liberal friends being a little worried—

Mr. EULER: Very little.

Mr. STITT (Nelson): For a year or two they were basking in the sunshine of a few

provincial victories, with the federal election already won, and they did not feel that they had to say or do very much. But the Prime Minister's program of reform gave them a great shock. I venture to say there will be a still greater shock coming to them when the smoke of the next election has cleared away. It is all right for them to damn the government and damn the Prime Minister and hon. members on this side for inactivity in regard to unemployment, but this was something that came to us as a legacy from the party opposite; it was left on our doorstep when we took over in 1930. It is true the leader of the government made certain promises then, and I believe he was sincere when he made them. But I do not think in 1930 any member of this house could have foreseen what was ahead of us. Most hon. members thought the depression was more or less a local affair that would blow over in a year or two, as other depressions had, and I think the right hon. leader of the government can be absolved from many of the promises he made at that time. I believe any fairminded man will admit that.

I think our friends opposite would be well advised to withhold their criticism until such time as the Prime Minister has brought down all his reforms. One or two measures have been brought down and proceeded with, but I want to tell hon. gentlemen that they have not heard half of it yet. They are ill advised to start throwing sand in the machinery at this time. I quite appreciate that hon. members may be carried away by some of the things they hear and see in these days of stress and strain, but let me say that they have no monopoly of sympathy for the unemployed, those poor unfortunates who through no fault of their own find themselves in a desperate condition. I think we on this side of the house have suffered as many sleepless nights as hon. members opposite, and we are just as sincere and just as much interested as they are in trying to find some remedy. We are looking for helpful suggestions, not for criticism. So far we have received mainly criticism from hon. gentlemen opposite, and destructive criticism at that. We have not been able to put through one piece of legislation in the last four years, no matter how helpful it may have been, without running up against almost a blockade from the other side of the house. Much of the legislation we said would be helpful, and it has turned out to be helpful. If hon. gentlemen are really sincere when they say they wish to assist this government to put through their program, why not climb on the construction train instead of throwing obstructions on the track? It might be well for some hon. gentlemen opposite to remember that a hammer can be used to build up as well as to tear down.

The hon. member for Vancouver Centre (Mr. Mackenzie) spoke with great gusto about world trade, and damned this government for high tariffs. He is not very consistent; it was not very long ago that he made a statement in this house which I should like to quote. Referring to page 4258 of Hansard for June 25, 1934, I find the hon. member quoted as follows:

> I am in favour of reduced tariffs all over the world, but I recognize that it may be very difficult for us alone to reduce tariffs when all other nations are maintaining theirs.
>
> Mr. Bennett: Good! At last!
>
> Mr. Mackenzie (Vancouver): We are discussing this in a very frank way.

The hon. member might be at least consistent when he speaks about tariffs. I should like to go a step further and quote another front bencher on the opposite side. This is an extract from a speech delivered on October 28, 1932, by the ex-Minister of National Revenue (Mr. Euler):

> I have always felt, and still feel, perhaps in a sense more than ever when all the other nations of the world, or practically all, have erected impenetrable barriers against our products, that it is only fair that we should have such a tariff as will enable our own producers to have a fair chance in their own market.

Mr. EULER: Where is there any inconsistency in what I have said since?

Mr. STITT (Nelson): I have not said there was any inconsistency on the hon. member's part. I am simply quoting the statements of some of the front benchers opposite in order to show the inconsistency of the party as a whole.

Now I should like to say a word in regard to trade. One would almost think Canada was the only country in the world that suffered any loss of trade, but what are the facts? We will all cheerfully agree that Canada experienced colossal trade during some of the years hon. gentlemen opposite were sitting on this side of the house, but in 1928 and 1929, especially after the adoption of the Hawley-Smoot tariff in the United States, trade started to fall off. It was only natural that Canada, together with all the other exporting countries of the world, should suffer some decline in trade. The chief statistician of the League of Nations issued a statement showing that in 1929 the world trade amounted to $68,000,000,000, in round figures. In 1930 it had dropped to $55,000,000,000. In 1931 it

was only $39,000,000,000 and in 1932 only $26,000,000,000, or about one-third the trade of 1929. What happened in Canada; did our trade decline by two-thirds? Our trade is about fifty or sixty per cent of what it was in the banner years when the Liberal government was in power. One year we did drop back from fifth to sixth place among the trading nations of the world, but now we are back in fifth position, which is not a bad record in view of the statement made by the statistician of the League of Nations.

I am not going quite so far as some hon. members on this side of the house have gone; I do not say the Liberal party were responsible for the drop in trade or the loss of markets. I do not think they had any more to do with it than we did. The world became obsessed with mad, economic nationalism, and we were sliding down that slippery hill towards ruin and despair. The United States took the lead long before we fell in line; as a matter of fact that country set the pace for us, as was admitted by Mr. Cordell Hull, secretary of state for the United States. Not very long ago that gentleman said:

> Extreme nationalism, if persisted in, is destined soon to wreck our entire structure of western civilization.

He stated that the United States started it and most of the other countries fell in line, so we were driven to any action we took in this country. For one or two years after the depression set in United States industries were bonused by the government; under their codes they voted billions of dollars to stiffen up industry and keep it going. As a result practically all the available warehouses were filled with goods, and they were anxious to dump them on any market at any price. If the Canadian government had not taken the action they did take in 1930 practically every factory in this country would have been closed up within sixty days. It must have been disconcerting to some of the Liberals to see the figures contained in an article on the front page of the Ottawa Citizen this morning. The headline reads:

> Trade Figures Show Canada's Sharp Advance.
> During 12 months ended January 31, her exports to world exceeded imports by $131,830,000.
> 24·1 per cent growth in Empire business.
> Upturn of 20·9 per cent in commerce with foreign countries also revealed.

That does not sound very much like the stories some of our Liberal friends are telling, that we are strangling trade and losing what trade we have. We lost our trade for the same reason that every other country lost its trade; the world went crazy on economic nationalism and purchasing power was destroyed. I am ready to admit that on the surface it would appear the Liberals have the wind behind them. We must remember that in the last three or four years they have been doing most of the talking. The conservative party and its great leader, Right Hon. R. B. Bennett, have been too busy to answer the traducers of Canada; we have been trying to save this ship of state from destruction. But from now on we will go out on the hustings and tell the people our side of the story; we will give them the true picture of conditions which existed when we came into office; we will explain what has been done since and the courageous steps we have taken to meet those conditions.

I do not know why it is necessary for hon. members opposite to rise day after day and damn the leader of this party and his followers. In passing may I say to hon. members opposite that hon. members on this side of the house have yet to see our leader, in whom we have every confidence and for whom we have the greatest respect, rise in his place in this chamber and tell the people of Canada that he and his followers find themselves in the valley of humiliation. I believe I am fair when I state that it does not lie in the mouths of Liberals to hurl across the floor of this chamber the criticism which they direct against the greatest Canadian and the party supporting him.

I do not know how long this debate will continue. I shall not take up further time. I sincerely trust it may soon be completed so that we may defeat the amendment moved by the crown prince from British Columbia and get on with the business of the country. Let us see whether the Liberals will stand true to their promises and to the statement that they are here to support the government and to cooperate in having legislation passed at the earliest possible moment which may bring comfort to those who are suffering from one end of Canada to the other.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, since coming to this House of Commons about five years ago I have been anxious to cast my vote in support of the most constructive proposals introduced. I have adopted that attitude because in this corner of the house we have no strong party ties. Only on a very few occasions do we feel any need for voting together. Taken as a whole I believe the group in this corner of the house have been anxious to give the government an opportunity to put its program into effect as quickly as possible. I believe we

indicated that in a similar stand when some time ago we voted against a motion like the present one.

On the present occasion however I feel I must support the amendment, because I believe in substance it states the facts, regardless of the reasons for bringing it forward. I must believe that the motive behind the amendment was the very best possible, and if it comes to a vote I shall vote in favour of it. The amendment states:

> This house regrets that notwithstanding the specific promises made prior to the election of 1930 and many times since reiterated, and despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

I think every hon. member, regardless of whether or not he accepts the motion, must agree that the words contained therein are true. Hon. members opposite cannot get away from the fact that undoubtedly they were elected to put an end to unemployment. To-day I heard some of them say, "Well, we have done as well as other countries have done; show us some countries which have done better." They were not elected to do as well as other countries did; they were elected to end unemployment. If we were to accept that answer, then we would have to accept what the Liberals said in 1930,—"Why, conditions in Canada are no worse than they are in other countries." That statement would have been as true in 1930 as the statement made by hon. members on the other side to-day. Possibly conditions in other countries are no better than they are in Canada, but we must remember that in 1930 the Prime Minister (Mr. Bennett) contended that what was true of other countries so far as prevailing conditions were concerned should not and need not be true of this country. He said Canada was a young country. Well, to-day we are only a little more than four years older than we were in 1930, and in the life of a nation four years is a very short time. Speaking in Calgary on June 12, 1930, he said, "This is a new country, and there is no excuse for unemployment in Canada if a government does its duty." If that statement held in 1930 it is just as true to-day.

The hon. member for Nelson (Mr. Stitt) said, "Well, we did make promises in 1930 which we were not able to fulfil, but we did not know that this depression was not similar to former depressions. We thought it would pass away and that everything would be all right." They were depending on Providence to help them carry out their promises, because they have admitted that they did not know anything about the world economic situation.

I have never received the same publicity as the Prime Minister; possibly I have never been entitled to it. To-day however I was looking over the very small amount of publicity I received during the campaign of 1930, and found that at the first meeting I addressed I said, "The Liberal party is not responsible for the conditions prevailing in Canada to-day." Let me remind the Liberal party that if they blame this government for the economic conditions prevailing to-day they too are liable to the same accusation, namely that they know nothing about economics. At the same time I made the statement, "The Conservative party will not end unemployment"—and they have not. They could not end unemployment, because unemployment is part of and essential to the capitalistic system. Speaking in this chamber a short time ago the Prime Minister said, "There has always been a certain amount of unemployment in Canada; there has been during the best of times." I am surprised to note how easily he shifts his ground. Speaking in this house on the occasion referred to, he said that in normal times the average unemployment amounted to about 150,000. Speaking during the special session of 1930 he gave an estimate of 117,000 then unemployed, and stated that by the end of December of that year it was anticipated the figure would reach 177,000, if their program did not work out as they expected it would. But despite the fact that he realizes and maintains that the average number of unemployed for some years past was some 150,000—and during the election campaign in 1930 he admitted that the number of the unemployed was only 117,000—nevertheless he went out on the hustings and said that unemployment had got to the stage where it was a national problem and that the Liberals must be turned out because they had refused to accept it as such. Now you cannot blow hot and cold on these things and get away with it and have the people think you know what you are talking about.

Let me point out to my hon. friends another statement that was made by the Prime Minister. On July 16, speaking at Renfrew, Ontario, he said:

> There is no excuse for unemployment in our country. There is no excuse for poverty. We have the people and the resources. We have the capital—

But note what follows:

—but the capital will not allow itself to be used unless there is stability and certainty.

Stability and certainty of what? Stability and certainty of profits. Then that denies that we have the things that the Prime Minister said we had. We have the people, we have the resources, we have the capital. Now if we have the resources and the capital surely we can use them to meet the needs of the people of this country. But as a matter of fact the people of this country have not the resources and the capital. The capitalists of this country, the Flavelles, the Holts, the Gordons, the Blacks, and all that gang, those are the people that have the resources of this country, and those are the people that will not allow the resources of this country to be used unless they make a profit out of the process. That is why my friends to my right cannot put an end to unemployment any more than hon. gentlemen opposite without putting an end to the class that is furnishing the funds for the next campaign.

The impossibility of carrying out the promises made by political parties in this country should have become evident to those parties a long time ago. I have always felt that either one of two things must be true with regard to the promises made by the Conservative party during the last election, and particularly by the Prime Minister: either the Conservative party were quite reckless as to what promises they made, or they did not know or understand the conditions with which they were dealing. But whichever it was it does not make any great difference. I believe it was this impossibility of keeping promises made under present conditions that caused the mover of this motion to make the statement in Vancouver some little time ago that he was afraid the Liberals were going to have such a large majority in the next house that it would be difficult to keep them to their promises. I am afraid it will be difficult to keep them to their promises if they make any promises to restore capitalism, or to end unemployment, or to restore trade, or to do any of these things, because they are going to fail just as surely as this government failed to carry out their promises. But the hon. member for Vancouver Centre tried to safeguard at least the British Columbia contingent by saying that they at all events would live up to their promises. So the rest of you gentlemen from the other provinces must realize what they think of you in Vancouver, that you make promises and do not keep them, while the Vancouver contingent does keep its promises.

[Mr. MacInnis.]

The conditions in this country to-day have been developing and approaching their present stage for quite a long time. I have in my hand a little pamphlet which has been received I believe by all the members. The title of this little book is Five Years Under Bennett. The author is "Micawber," waiting I presume for something to turn up. Considering who the government is, I suppose that that was the inevitable thing to do. This little pamphlet has rather a Liberal flavour. I am going to quote just a paragraph or two from it to show that if things were not just as bad in 1930 as they are to-day they were bad enough to intimate to the government of that day that something should be done about it. The author of this pamphlet, after drawing attention to what the present government had failed to do, makes this statement:

To wage war against evil everywhere must always be a principal function of any administration. That is not a matter of party policy and Bennett greatly weakens his case when he claims political virtue for deciding to embark upon long overdue reform to clean up the evils of private capitalism which existed and cried aloud for action when he assumed office in 1930.

That is, when the present Prime Minister assumed office in 1930 after nine years of Liberal rule. Yet the evils of private capitalism at the end of that nine years were such that remedies were long overdue and the abuses cried aloud for action.

We have been told, not so much lately, although the statement was made again to-day, that the unemployed do not want work, or at least that some of them do not. That is something that we might have heard some years ago, but surely we should not hear it at this time. We all admit that there are among the unemployed men who do not wish to work, just as we also know that there are many other people in society who do not wish to work if they can get a living in any other way. But I have before me now a report that was prepared by the relief officer in Vancouver early in 1931, and referring to the men who were unemployed he says:

In the first place the act brought to light the hidden sores of unemployment. Men who were too proud to ask for charity promptly applied for the work they so grievously needed. When the registration of unemployed by the Vancouver city relief department commenced on October 1, crowds of applicants jammed the office, and by November 18, 4,513 married and 5,244 single men had registered. Even this did not represent the total number of unemployed as few clerical workers, union men, seamen and women were on the list.

He goes on to say, after referring to one or two people who tried to get something for nothing:

> Such cases, however, were far from common. Investigation resulted in thirty per cent of the married men registrations being placed in the category of "urgent," i.e., needing employment within three weeks to provide the necessities of life.

He continues:

> That there is nothing wrong with the unemployed except unemployment holds generally true. At the same time there are exploiters among the jobless equally with every other section of the community.

One of the difficulties that the unemployed are up against is that of getting unemployment relief. I was in a position to put a man who had been on relief some few months ago in Vancouver in touch with a little temporary work, and he refused to do the work. It would have taken only a week or two. He said he had found it so hard and had suffered so much before getting on relief that he did not wish to go through the ordeal again. As a matter of fact they are making it harder all the time for these men to be decent under the trying circumstances with which nearly all of us are confronted. I believe that some one during the debate to-day referred to the fact that the difficult conditions the unemployed were living under were driving them to commit crime. As a matter of fact, in some instances that is the only way in which they can get relief. Let me cite to the house two or three instances out of dozens that I came in contact with during this summer and fall.

A man and his wife called on me early one morning. The man was a returned soldier, a veteran of the great war; he was in ill health; he had been refused a pension, he had three children, which with his wife made a family of five. The affliction or disease from which this man suffered was such that he perspired profusely; yet such were the conditions in his home that they had not a second pair of sheets to change when the others became unsanitary. That is only one of the cases we come across; yet in that home there were three very nice children who were being brought up under such conditions. Again, a lady called on me. Her light had been cut off. They were allowed so much for light but it was not sufficient and the bill was increasing. At last the electric light company, expecting never to be paid their account, cut off the light and these people had to go without any light. They could not get fuel for heating purposes; they were given a small allowance for cooking by gas. And having no fue. for the furnace, when evening came, instead of putting on a fire as other people do, they had to put on their overcoats or go to bed. Take again the position of the young man under twenty-one in the city of Vancouver. Young people on relief—and there are very many whose parents are not working—are regarded as infants until they reach the age of twenty-one, and for infants the city provides $3.75 a month. Imagine an infant of twenty-one years of age living on $3.75 a month. But that is not the worst; after he has reached the age of twenty-one, there is one of three things he must do; he must either find a job, or go into one of the relief camps, or stay at home and be a burden on the family, who will be minus the $3.75 which he was paid before his twenty-first birthday.

These are circumstances which this government should concern itself with, if the government is concerned with the welfare of the people of Canada. I believe the conditions in Vancouver are generally speaking just as good as, if not better, than they are in most other cities in Canada. I have here a clipping from the Montreal Daily Herald of February 7 in which there appears an interview with E. J. Lincoln, executive head of the Golden Rule Association. The interview is to the effect that welfare groups, companies and individuals had promised sufficient support to repair certain quarters to provide a shelter for homeless men on relief, but they were not able to get permission from the city to open this shelter, the city officials taking the view that the shelter would prove an attraction to jobless people outside the municipalities, and that such a gathering place would become the centre of red propaganda. Mr. Lincoln goes on to say:

> Despite the statement of Albert Chevalier, director of the Meurling refuge, to the contrary, I guarantee that there are between 1,500 and 2,000 homeless men in the city at present, most of whom will do almost anything, the least of which is to seek nightly shelter in police stations to save them from lodging at the Meurling refuge where the rules are ridiculously severe. The inmates of the Meurling refuge are treated like unruly animals; they are not allowed to exchange one word from the time they enter at 6.30 p.m. until they are evicted at 7 a.m.

They are not allowed to stay in the refuge during the day; they must go into the streets in their flimsy rags and endure the cold. Surely any government that is sympathetic to the people must pay some attention to conditions such as these. My hon. friends on the government side declare that they are just as sympathetic as we are, but you have to have something more than sympathy;

sympathy without action is of little value. I submit that there is a sufficiency of everything necessary in this country. The Prime Minister himself admitted this in the city of Kingston a few days ago, when he said that we had everything necessary to give a full life to everyone. If that is so I would ask this government, if it is a government, why it does not do something to bring this condition about. As I look at the various monuments standing on the grounds on parliament hill I often wonder whether the time will ever come when I shall see a monument to the Prime Minister and one to the Leader of the Opposition. I believe there is every reason why there should be monuments to both. We might put up a monument to the Leader of the Opposition for reforming the Senate and a monument to the Prime Minister for ending unemployment.

An hon. MEMBER: Why not one to the C.C.F.?

Mr. MacINNIS: Yes, we can do that too. I am supporting the motion moved by the hon. member for Vancouver Centre because I believe it deserves the support of this house. But I confess that, although the hon. gentleman is a member of a party which, in his own words, expects to be back as a government with strong support, I cannot see why he has not put forward something for the party as a whole. He has put forward certain views of his own, but I should like to know why, as one who is likely to be in the next cabinet, he cannot advance something that represents the views of his party. Why did he not confer with his leader and put forward something which we could definitely support? There were one or two things that struck me in the proposals he made. Take the second one:

> I want to advocate the handling of this entire problem as one of national emergency, even if only for a limited time, until this depression is over.

But does he think this depression will be over within a limited time? If so, on what ground does he base that opinion? Let me again remind him of the statement made by the hon. member for Nelson (Mr. Stitt) to-day that in 1930 they thought the depression would be over in a short while and that as soon as they got into office they would be able to handle it easily. Let me tell my hon. friend that there is no indication the depression will be over within a limited time. The depression is here to stay as long as we hold to the capitalistic system. Then he says:

> I suggest adequate, immediate and effective measures to increase our domestic and foreign trade.

What are the adequate, immediate and effective measures that are going to increase trade? I would like to know what they are. The only way in which trade can be increased in my opinion is by increasing the purchasing power of the great mass of the people, the farmer, the industrial worker; but if you increase the purchasing power of the farmer and the industrial worker, you decrease the profits of the employing class. You have here a certain amount of production; suppose it is divided equally now, so much going to each side; you cannot divide it in any other way without giving one party either more or less than the other. If you are going to give the workers and farmers more, you will have to give the employer class less, and just because you must do that, under the profit system you are going to have those who live by interest and profit against you all the time. Until you reach the stage where you are stronger, where you can do things without having regard to those people you are not going to improve trade, end unemployment or increase the living standard of the Canadian people.

In the program that has been brought down so far there is nothing that will improve the position of the working class or the farmer in any appreciable way within at least the next two years. Therefore, while I am supporting the motion and think it is justified in every respect, I wish the mover of it had gone somewhat further than he has and had explained to us how the Liberal party proposes to improve the position of those at present in need. How are they going to get the workers out of relief camps? How are they going to get the thousands of men who are on relief, the 1,200,000 or so that the hon. gentleman mentioned, placed in a position where they can provide for themselves? I claim that under the present system this cannot be done, and when we suggest that it can be done we are only fooling the people and ourselves.

Mr. F. W. TURNBULL (Regina): I too regret that the hon. member for Vancouver Centre (Mr. Mackenzie) did not tell us what in his opinion, his personal opinion, could be done to get these workingmen out of the relief camps. I further regret that the hon. member for Vancouver South (Mr. MacInnis) followed the bad example of the hon. member for Vancouver Centre and did not inform us how he would get the workers out of the relief camps, except to suggest that

he would change the system; but he did not tell us how the system, when he got it changed, would do this.

Mr. MacINNIS: We are still waiting.

Mr. TURNBULL: The hon. member says: "We are still waiting." It is true hon. gentlemen opposite express a great deal of sympathy with the condition in which unfortunate people in this country find themselves. It is also true that there is sympathy extended toward those people by every person in Canada and out of it. I do not blame hon. members opposite for talking about the sympathy end of the matter because that is the only end they have to talk about. When they tell about their sympathies, they have exhausted themselves.

The motion before the house is as usual a negative one; it merely expresses regret that the government did not do something, but it does not express any views as to what the government ought to do, or as to what the opposition would do, or even as to the personal views of the hon. member for Vancouver Centre. That is quite in line with the tactics pursued by the Liberal party for the last four or five years. I would not like to go so far as to say that they are animated by political motives, but I might point out that they are following pretty closely the program set forth by the present Premier of Ontario in 1930 when he said, as reported at page 1886 of Hansard of that year:

> As I say, we are going to settle the unrest among the farmers, the unrest which has been created because of an economic disturbance which is world wide. I refer to the question of overproduction. When we have overproduction it is always followed by a period of low prices, and in a period of low prices it is very easy to stir up trouble, especially in the rural sections.

I suggest that the Liberal party are only running true to form; they are doing exactly what Mr. Hepburn in 1930 advised them to do, what they have been doing for the last five years and what they will do for the next five years whether they return to parliament on the opposition or the government side. Of course it is easy to find fault. According to Robert West, nothing is easier than fault finding. No talent, no self denial, no brains, no character are required to set up in the grumbling business.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) a few days ago read us a homily in the house because a resolution introduced on this side was according to him a political one. That served him as an excuse to vote Liberal, to exercise the innate liberalism which he has always possessed, coupled with a thin veneer of co-operative commonwealth federation. To-day a similar motion, just as political as the other, is introduced from the other side, and the hon. member for Winnipeg North Centre and his following have found an excuse for again voting Liberal, just as they did during the last five years of Liberal rule. If there is anything the Liberals did that they should not have done between 1926 and 1930, the blame rests as much at the door of the hon. member for Winnipeg North Centre as it does at the door of the leader of the opposition (Mr. Mackenzie King), because the former is the man above all men who, according to his own statement, with his confrère from North Winnipeg (Mr. Heaps), maintained the former Liberal government in office from 1926 to 1930.

Mr. HEAPS: Will the hon. member state why he and the whole Conservative party voted with us for a similar motion in 1930?

Mr. TURNBULL: It is very easy to do that. In 1930 there was a motion that something be done about unemployment. At that time nothing was done, nothing was being done. The leader of the opposition was declaring that he would not distribute any unemployment relief except on a political basis; that he had not a five cent piece for any province that was not Liberal; that no Conservative province would get any money. But conditions are entirely different to-day. Something is being done for unemployment every day the house sits and every day of the week between the time the house prorogues and the opening of the next session. That is why hon. members on this side voted for a similar resolution in 1930 and are voting against the present one to-day.

Mr. WOODSWORTH: But the hon. gentleman will concede that Labour members at that time voted against the Liberals, as to-day they are voting against the Conservatives.

Mr. BELL (Hamilton): You are counting too much on Tim Buck. Don't count on Buck; he is a broken reed.

Mr. TURNBULL: This amendment, while it is accompanied by a great deal of language regarding the distressing condition of the unemployed, as to which we all agree, nevertheless if carried would have the effect of preventing this government from doing anything for the unemployed until after another election. Hon. members who profess to be in favour of social reform, to believe in all these things in principle, but who oppose them

in practice when they have the chance, would if this resolution carried dismiss this government without anything being done along the lines of the legislation of which they profess to be so strongly in favour. Yet the hon. member for Vancouver Centre talks of "oleaginous hyprocrisy," and his leader goes back and forth through the country talking of the hypocrisy of Hon. H. H. Stevens in connection with the price spreads and mass buying investigation. I leave it to this house and to the country to say where the hypocrisy comes in.

I read with some amazement the speech of the hon. member for Vancouver Centre. It was amazing for some of the statements contained in it; it was amazing in view of the position he hoped to attain in the Liberal party. I thought for a moment it was the rising star of the white hope of the Vancouver Sun dawning on the horizon. But, evidently feeling the cold blast coming from the seat diagonally forward of him, he changed his tone and said he was not speaking for the Liberal party but expressing only his personal feelings. So the comet that flashed across the horizon vanished in gas and hot air as comets usually do. At one part of his speech the hon. member for Vancouver Centre made the statement that Canada had led the world in the march towards higher tariffs—an amazing statement. The hon. member must realize that there was not a year between 1926 and 1930 that tariffs were not going higher in every country except possibly Canada. And if Canada was leading the march towards higher tariffs it must have started five years before we came into office, because the march was well under way in 1926, and in 1930 the Liberal party joined in the march, because the Dunning budget increased the tariff on more articles than did the treaties with Great Britain.

I suggest to hon. members opposite that if they will allow the government to go into supply the probabilities are that in due course the government's legislation with regard to unemployment relief will come down. But that is what they are afraid of; they would rather discuss it on an abstract basis, with no measure before them, than on a concrete basis. They are still theorizers; they are prepared to discuss anything but facts. They will discuss principles from morning to night, but something concrete to put these principles into effect is beyond their horizon. All these things they say are objectives of the Liberal party. The other day the leader of the opposition told us free trade in automobiles was an objective of the Liberal party. I do not know how many years it has been their objective. If they were in office I do not know how many years it would continue to be their objective, but I suggest that objectives cease to be objectives when they have been reached, and the Liberal party never reach their objectives so long as they can use them to get votes.

Another amazing statement of the hon. member was that this government put a bonus on wheat restriction. He did not tell us where or when or how, in all probability because he did not know; for they did not do it.

Mr. BELL (Hamilton): That seems fairly reasonable.

Mr. TURNBULL: A very prominent member on the other side of the house, a man who occupied a cabinet position in the former government, who was Minister of Agriculture, and who comes from western Canada and therefore should be acquainted with the wheat situation, was one of those who most prominently urged restriction of wheat production. If hon. gentlemen will turn to Hansard for the session of 1932-33 they will find these words credited to the ex-Minister of Agriculture (Mr. Motherwell) at page 991:

> Whether or not we like it, our wheat production must be reduced to near the world's capacity to consume. Otherwise the situation will continue to get worse and worse. Our carryover is becoming larger each year. I recognize the fact that no one country could afford to reduce its wheat acreage without similar action being taken by the others.

Then after condemning us because we had so treated Russia that we could not get an agreement with her, according to the hon. gentleman, he said:

> Are we going to go along blindly until we become so impoverished that many farmers will not have the equipment or strength with which to put in a crop? That will be the result of the ruthless law of the survival of the fittest.

I did not hear any dissenting voice from the hon. member for Vancouver Centre when his confrere in the former government declared that wheat production should be restricted, but to-day in opposition he raises a bogy that does not exist and says this government bonused wheat restriction.

Another amazing statement of the hon. member was that this government put the people of this country on the dole. This government never put people on the dole. The only reason why direct relief is in force in Canada is that the provinces came to the federal government and said they were no longer able to bear their share of indirect relief, and they asked this government—they whose duty it was to administer relief—to

do it in the form of direct relief and not in the form of employment of labour. May I say in passing, that when the hon. member for Vancouver South, refers to the way in which the unemployed were treated in Montreal he should carry his complaints not to this government, which has nothing to do with the administration of unemployment relief, but either to the province of Quebec or to the city of Montreal, which have to do with these things in that vicinity. I do not know what purpose is served by cataloguing lists of people who have suffered hardship. I do not know of a time in the history of this country when some people did not suffer hardships. I could give case after case of people who have been run over by railway trains or have been hungry or who have not had all the clothing they needed for their beds. But to show a situation does not provide a remedy.

Another statement made by the hon. member for Vancouver Centre was that this government had raised the tariff in 1930 before going to the imperial conference for the purpose of negotiating treaties in the fall of that year. I heard the hon. member for Témiscouata (Mr. Pouliot) say the other day that when the motion to put these tariff increases in effect was put to this house he was the only man who opposed it, by saying, "On division." There might have been one or two others, but he apparently expressed the view that the rest of the members on the other side had concurred in the raising of these tariffs in 1930. Indeed there was no reason why they should not, because they themselves had raised them on many articles in the Dunning budget a few short months before.

I want to deal for a short time with at least some of the personal views of the hon. member for Vancouver Centre. I feel that the leader of the opposition must have breathed much more freely when he heard the hon. member for Vancouver Centre say he was not committing his nominal leader by the views he expressed in the house. Nothing could be said on this side that would have been a more masterly condemnation of the policy of inactivity and laissez-faire of the Liberal party than those views expressed by the hon. member for Vancouver Centre last night.

But let us examine some of his proposed remedies. The first was a national relief commission, and the second was that the problem of relief should be handled as a national emergency. I cannot see much difference between the two. He was following his leader in that regard, and this in spite of the fact that his leader and he both know perfectly well that the provinces will never consent to that method of handling relief. Consequently that can remain an objective of the Liberal party and perhaps serve some good purpose during the election campaign. In the campaign of 1926 the right hon. leader of the opposition addressed certain meetings in the province of Saskatchewan at which he preached the doctrine of a solid Saskatchewan and a solid Quebec, while some place else his friend the ex-Minister of Justice (Mr. Lapointe) was preaching unity. A solid Saskatchewan and a solid Quebec was what the Liberals relied upon at that time to put them back in office, and it served the purpose very well, because then we did not have a national system of radio. If the Liberal party intend to get back into power in 1935, once more it will be through the solid Saskatchewan and the solid Quebec, so let us see the attitude of these two provinces in respect of this national relief commission. Mr. Taschereau is on record as declaring that he will not allow the dominion government to administer relief within the boundaries of his province. He is quite prepared to accept dominion money which he can spend, but so far as letting the dominion government spend it, that is quite beyond any idea Mr. Taschereau ever had.

Mr. CASGRAIN: Would the hon. member quote the statement of Mr. Taschereau containing those words?

Mr. TURNBULL: I have not the quotation with me at the moment, but it will be very easy to obtain and hand to the hon. member for Charlevoix-Saguenay (Mr. Casgrain.)

Mr. CASGRAIN: I do not think he said that; I think he said his government would contribute fifty per cent, but he did not say what the hon. gentleman has suggested.

Mr. TURNBULL: I think the hon. gentleman misunderstood me. I stated that Mr. Taschereau said he would not allow the dominion government to administer relief in his province. He will accept the dominion government's contribution of fifty per cent of the cost, but he is to be the man who will handle the money. Then take the position of the province of Saskatchewan. On the 31st day of August, 1934, the government of the Dominion of Canada made an offer to the government of the province of Saskatchewan in these terms:

Your proposals for dealing with relief situation in drought areas do not commend them-

selves to this government. We are prepared to relieve you of the responsibilities in those areas for food, clothing and shelter for those who may require same.

In spite of the fact that if that offer had been accepted it would have relieved the taxpayers of Saskatchewan of the burden of relief in those areas, other than their share as taxpayers of the dominion, the premier of the province of Saskatchewan refused to allow the dominion government to pay for the food, clothing and shelter in the drought areas of that province. Yet hon. gentlemen opposite come here with this claptrap about a national commission to handle this as a national problem.

Mr. BOTHWELL: Would the hon. gentleman be good enough to read the remainder of that letter?

Mr. TURNBULL: I do not propose to read the remainder of the letter because it has nothing to do with the matter in question. The document is a telegram, not a letter.

The next proposition put forward by the hon. member for Vancouver Centre was public works on a limited scale. That is exactly what the government have been doing. We have been building public works on a limited scale at the expense of the dominion government, so there is nothing particularly new about that. But the hon. gentleman broke new ground with his fourth proposition, which was government assistance for private undertakings, or in other words government bonuses for private institutions conducting business in this country. That opens a very wide field, but the government have carried out that plan in a limited way. We guaranteed the Beauharnois bonds to enable that institution to get back on its feet. We advanced money to the Canadian Pacific Railway in order to enable them to keep their shops open and provide work, and the government guaranteed the account of the Canadian Pacific Railway at the bank, so that the company could carry on. But every time this government did something to assist private undertakings so that men could be kept in employment hon. members opposite criticized us both inside and outside of the house from one end of the country to the other, and I do not think the hon. member for Vancouver Centre was much slower than anyone else to do so.

The fifth proposition is "adequate, immediate and effective steps to increase domestic and foreign trade". One adjective would have served the purpose; three take more space. Yet when this government undertook to make

treaties for the purpose of increasing trade outside of Canada; when this government undertook to make treaties that did increase the trade of this country outside of Canada, no one opposed them more vigorously than did the hon. member for Vancouver Centre. He was not expressing his personal views at that time, because with one exception every Liberal on the other side of the house opposed the government, and if I remember correctly the hon. member for Bow River (Mr. Garland) joined in the condemnation. I stated that these treaties did increase our external trade. In order to establish that proposition I have before me an extract from the Winnipeg Tribune of February 18, 1935, which I imagine was a Canadian Press dispatch appearing in all newspapers. This dispatch states that in 1934 Canada purchased a greater sterling value of yarns and cloth than in 1930. This was under the textile schedule that has been so roundly condemned and that has formed the text for practically all the opposition to those treaties. The article continues:

> In 1934 Canada's purchases of manufactured textile fibres from Great Britain amounted to £6,116,010 as against £5,586,621 in 1930, and this in spite of the drop in unit prices of textiles in Canada. These comparative figures are obtained from an analysis of the latest accounts of Trade and Navigation of the United Kingdom.

Then some of the principal purchases follow. So while last night the hon. member for Vancouver Centre advocated that we should take steps to increase our outside trade, every time we take a step to increase that trade there is a chorus of disapproval from across the aisle. Since that time every Liberal member except one and every Liberal newspaper in the country has been condemning what was done by this government in the direction of increasing our external trade. Only the other day they boasted that they had won by-elections by condemning the treaties procured by the Conservative government, which the hon. member for Vancouver Centre now says were the objective of proper policies.

His next proposition was the reduction of interest rates on dominion obligations. The very last thing done by the government of the present leader of the opposition before they went out of office was to refund some bonds of the Canadian National Railways that had been bearing interest at four and a half per cent. Those bonds were refunded at five per cent. So the very last thing done by the Liberal government was to increase the interest on public obligations, but now, after four years in opposition, they are com-

ing back and advocating a reduction in interest rates. That is in line with the policy of this government, because in the last four or five years, in the face of the greatest difficulties Canada has ever seen, we have converted over a billion dollars' worth of bonds with an interest saving of $14,600,000. So, as far as that is concerned the hon. member for Vancouver Centre might come over and join our side of the house and help us carry on that work.

His next proposition was a national conversion scheme at two and a half per cent. Well, I hope the hon. member never becomes minister of finance, because as sure as he does he will be faced with that proposition. It is all very well to say you are going out to borrow millions of dollars at two and a half per cent, but the other fellow has a right to say whether or not he will lend it to you. If we had the money at two and a half per cent, now that it is nearly time for an election the hon. member for Vancouver Centre would be telling us that we should convert our national obligations at one and a half per cent, and if we had it at one and a half per cent he would be right in the C.C.F. pew advocating that we should have it without any interest at all.

The hon. member's ninth proposition was that we should increase our currency by $430,000,000. I do not know what basis the hon. member used in arriving at that amount, why it was not $425,000,000 or $435,000,000 instead of $430,000,000. In any event that was the amount. May I point out to him that according to Sir George Paish the British people did ten billion dollars' worth of business with $150,000,000 worth of gold and currency, and Canada is not approaching anything like ten billion dollars' worth of business yet. There is plenty of currency in the country for the business we are doing. The problem is to get the currency moving, and it is not a question of printing more which will remain static.

The tenth proposition was to balance the budget. That is a hoary old phrase. However, there are only two ways of balancing a budget: one is to spend less and the other is to tax more—or perhaps a combination of the two. This government has spent less upon the administration of the country, and as a result of the operations of hon. gentlemen opposite they have had to spend considerably more upon the railways. During their term of office hon. gentlemen opposite added $922,000,000 to the capital obligations of the Canadian National Railways, and they left another $200,000,000 worth of contractual obligations to be paid by this government after it took office. Then they tell us to balance the budget. If we suggest greater taxation—

An hon. MEMBER: Lower the tariff.

Mr. TURNBULL: That is a bright idea. If we spend less money we are told to spend more. If we raise the taxes we are told to lower them again. In his speech the hon. member stated he wanted us to balance the budget, but in the same speech he advocated that the responsibility for relief should be shouldered by the dominion and taken from the provinces and municipalities. Will that help us balance the budget? Then he advocated public works. How can we spend money on public works and still balance our budget? Next he suggested that we should assist private companies. There is no limit to the amount of money which could be spent in assisting private companies. When private individuals get government money to spend, the government has not a very good guarantee of getting that money back. That has been the history of government assistance to private institutions as far back as I can remember.

Then he offered a suggestion which may have a good deal of merit in it, although certainly it would not help to balance the budget. His proposal was an "extension of the principle of the War Veterans' Allowance Act, by reducing the age to fifty-five years." In short, the proposition of the hon. member for Vancouver Centre is to spend money in new and additional ways, in huge amounts, so as to relieve unemployment, and at the same time to balance the budget. To be able to accomplish that end one would need to be as great an acrobat in financial matters as the hon. member for Vancouver Centre is in the use of language.

Then, proposition number eleven is a financial conference with the provinces "to consider the advisability of establishing a national loan board to coordinate, if possible, the investment activities of governments," and so on. This is to be a financial conference with the provinces to consider a national board to be set up to control provincial expenditures. How far would the hon. member get with Mr. Pattullo on that point? How quickly would Mr. Pattullo, who is opposed to any amendment to the British North America Act, agree to have his finances controlled by a national board? How about Mr. Taschereau, who states there will be no amendment to the British North

America Act? Where would the hon. member for St. James (Mr. Rinfret) stand, the man who declares that Quebec will fight to the last ditch any amendments to the British North America Act? How far would he agree to a national board to oversee expenditures of the province of Quebec? In the days when the provinces and the municipalities were doubling, trebling, quadrupling their expenditures, why did not the hon. member for Vancouver Centre, or the members of his party, institute a national board and lock the door before the horse was stolen? Why did he not have a national board set up to prevent the provinces and municipalities from going into debt and increasing their expenditures each year the Liberal government was in office? Why is he so keen to have some control effected after the damage is done? His proposition I submit is impracticable, because the provinces would not agree to it.

His twelfth proposition, the one respecting the War Veterans' Allowance Act, is the one with which I must have a great deal of sympathy. The burned out soldier loses his ability much earlier than seventy years of age; he is probably as old at sixty as the average man at seventy. The War Veterans' Allowance Act might very well be amended so as to apply to returned soldiers at an earlier age than seventy.

Then the hon. member wound up his speech with the unlucky thirteenth item. He did not put the number on it, because that might have looked bad. But as a thirteenth item in this great program of reconstruction, in which he has set forth his personal views and not the views of his party, he quoted a paragraph from the book—a paragraph from Industry and Humanity. It is full of language, full of expression and full also of inaction. It is a book which remained a book from 1918 to 1934, a book which was hidden up on the shelves; its author had forgotten where he put it. It was never brought out and used. There is a story which reveals why the 1919 Liberal platform was not put into effect. There is a reason why that was not done. That arose as a result of the election in 1921. If the right hon. leader of the opposition would tell the story of what took place in the few months after that election; if he would tell of the men from Montreal who interviewed him within a few months of the election; if he would tell the story of the thumb that was put upon his back and that kept him in a state of inaction for the next nine years, history would know that the Liberal party was the party of laissez-faire because it had to be.

[Mr. Turnbull.]

Mr. MACKENZIE KING: What is this all about?

Mr. TURNBULL: If the right hon. gentleman wants to tell what happened I suggest to him that open confession is good for the soul.

Mr. MACKENZIE KING: I have no idea what the hon. member is talking about.

Mr. TURNBULL: Let him tell us himself.

Mr. MACKENZIE KING: All humbug.

Mr. TURNBULL: If he does not remember it, some of his friends in the Progressive party may be able to tell him some day.

May I close by stating that if hon. gentlemen opposite are as anxious to make progress during this session, as they say they are; if they are anxious to proceed with legislation in an orderly manner, as they say they are; if they are anxious to have social reforms placed upon the statute books of this country, as they say they are, then it is pretty hard to believe they are sincere in view of the fact that their conversion has been so recent. If they are so anxious to conclude the present session, then they will cease making amendments such as the one we are now discussing, amendments which have only the effect of preventing the house from doing business. If accepted, the amendment would prevent the house from doing any further business, because it is a motion of want of confidence, and at the same time and by the same token it is a vote of confidence in the Liberal party; because if the hon. member for Winnipeg North Centre and the hon. member for Vancouver South vote for this motion they vote to defeat the government, a government which is doing something for the people of Canada, and to place in power in Ottawa a party which has done nothing for them. That is the alternative which hon. gentlemen must face. They cannot vote for this resolution and for the defeat of this government without at the same time voting for the policy of laissez-faire which they themselves have condemned in no uncertain terms. If they do vote for the Liberal party—or, to be more precise, for the personal views expressed by the hon. member for Vancouver Centre—then they vote in condemnation of all they have said in this chamber about the Liberal party either at this session or the last.

So far as I am concerned I should prefer to see the opposition abandon its blockading tactics and allow the government to proceed with the business of the country. I have not the slightest doubt that in the course of time the government will introduce legislation at

the present session, as it has done in other sessions, to take care of the unemployed. Hon. gentlemen opposite know perfectly well that upon such occasion they will have ample opportunity to discuss anything they may wish to discuss concerning unemployment. But they would rather have the people believe that the Liberal party has been responsible for bringing forward the idea of taking care of the unemployed, and they do not wish to be placed in the position of having to discuss measures which in due course the government will introduce. In my judgment the resolution is purely political, and it passes my knowledge how hon. members of this house can vote against a resolution brought in by one party on the basis of its being political, and then vote for an equally political resolution just because it is brought in by the other party, unless there is something in their minds that they were not entirely able to eradicate when they joined the new movement.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, nine long years ago I entered the house an innocent and guileless man, politically speaking, but after the lapse of that time I must unfortunately confess that I have lost a lot of that original innocence and that original guilelessness. Members of this group find themselves very much between the devil and the deep blue sea so far as this resolution is concerned. We find ourselves between the upper and nether millstones ready to be ground into dust by either one or the other of the two parties.

Mr. GOTT: Does the hon. member suggest that the blue sea is on this side?

Mr. LUCHKOVICH: Well, I do not know that the blue sea is over there, but I do know that on this question of the unemployed a good many of us are at sea. The hon. member who introduced this resolution (Mr. Mackenzie) is somewhat like the pied piper: he is trying to chase all the metaphorical rats in the Conservative program down into the Ottawa river. He says that he and his small group of British Columbia members are going to come down here somewhat like the band of Spartans that fought off the Persian hordes at Thermopylae. There is this difference, however, that the Spartan band was successful, but we do not know yet whether the British Columbia band of mountaineers will be equally successful.

The hon. member said that the Prime Minister (Mr. Bennett) had a deathbed conversion, that like Paul's conversion on the way to Damascus Mr. Bennett was converted before the next election. It does seem to me that the official opposition has not been converted to any reform at all yet, judging by the speeches that have been delivered on this resolution. They used to tell me as a little boy that unless you confessed your sins you were liable to go to the hot place, and it may be that unless there is that conversion on the part of the official opposition they also may be bound for that so-called nether region at the next election.

I have read this resolution carefully, and it is very similar to a resolution that was introduced into this house in 1930 by the hon. member for North Winnipeg (Mr. Heaps). On that occasion when the division came there were 81 yeas and 100 nays, the Conservatives voting with this group for the resolution, but when the vote is taken on the amendment now before the house I imagine that the Liberals and this small group will vote for the amendment proposed by my hon. friend from Vancouver Centre (Mr. Mackenzie).

After hearing so many speeches on unemployment I would like to ask this question: What is the difference between the Conservative party and the Liberal party, not only on the unemployment problem but so far as the tariff issue and all other issues are concerned? I frankly confess that both parties are going to use the issue of the tariff at the next election. On the one hand we shall hear the Conservatives say that they will make high tariffs fight for us, and on the other hand we shall hear the Liberals say that they will make low tariffs fight for us. It is true that the government of the day did raise the tariff, as they promised to do. I am not a believer in high tariffs, but I do not believe that the Liberals in the past have lowered the tariff as much as they have professed to do, not only during the past parliament but during other sessions when in power. That lack of difference between the two parties in regard to all these issues has brought a little ditty to my mind which runs as follows:

Says Tweedledum to Tweedledee,
Resign and give your place to me;
Says Tweedledee to Tweedledum,
If they want you they must be dumb;
For the moral in this little ditty,
Taught by men both wise and witty,
The Conservative Ins, the Liberal Outs,
They take the public for a bunch of louts;
They promise this and they promise that
But they all strike out when they come to bat;
The Liberal Outs, the Conservative Ins,
Are merely two Canadian Siamese twins.

I have already referred to a resolution in essence similar to the one now before the house, introduced on March 31, 1930, by the

hon. member for North Winnipeg. On that occasion what did the Liberal opposition have to say? I have here the speech of the present leader of the opposition. He said:

Let me repeat that statement. I can see nothing arising out of a recognition of this problem as a national problem which obliges this federal government, having regard to our constitution and the division of powers under it, to collect taxes from the people generally in order to meet a situation which affects only a certain group of people in some municipalities in this country, but which does not adversely affect the country as a whole. I am not saying we could not do such a thing; I am not saying that this federal parliament cannot vote money for any purposes for which it may desire so to do, but I am trying to make it clear that under our constitution I do not think it was ever intended that this federal government should become the agency through which problems which are primarily municipal and provincial should be dealt with.

In 1930 it was stated by the leader of the Liberal opposition that this was a municipal and provincial matter, but here we have the hon. member for Vancouver Centre introducing a resolution condemning this government for not doing anything about unemployment, after his own leader had said that the problem of unemployment was a provincial and municipal matter. The leader of the opposition further said:

Employment is a matter of contract and civil rights.

Further on he said:

... how little we have a national problem of unemployment in this country at the present time.

And at page 1227 he says this:

But I would not give a single cent to any Tory government.

And further on he said that if he called a conference of provincial premiers on unemployment, foreign countries would hesitate to make investments in Canada. In other words, he did not wish to inaugurate any system of getting out of this unemployment situation because he thought that by doing so foreign investments would be driven out of the country.

Listening to the speeches of some members on the other side one is led to believe that in view of the stand pat tendencies of the official opposition those hon. gentlemen, in asking for the resignation of the government at the present time, could base their argument only on the assumption that it had been proved that the present government lacks the confidence of the people, that it lacks a policy, and that the official opposition has a policy which is better than anything that the government in power has done.

[Mr. Luchkovich.]

Now, it is not for me to defend the policy of the government; let the government do that for themselves. I voted for the trade pacts in 1932 because I felt at the time that that was one of the only measures in sight to get us out of the present mess in which we find ourselves. I do not think that the trade pacts are as good as the party in power would have us believe, nor do I think they are as bad as the official opposition suggests. But I did think they were one way of getting out of the depression, and that is the reason I voted for them. As regards the hon. member who has moved this resolution, if he asks for the resignation of the government without offering an alternative policy of his own, he is placing himself not only in an untenable position but in a position that is ridiculous as well. He is very much in the position of the polar bear mentioned by Lloyd George in his speech—a bear perched on an iceberg which is rapidly melting away as it approaches the equator. Without a substitutive remedy his resolution loses much of its force. It may be good politics to rely on the prevalent discontent throughout the country, but it is folly to ask for the resignation of one government and the return of another without offering some remedy as a substitute. It is folly to put one party out and another in merely because we like the way the leader of the opposition combs his hair better than the manner in which the Prime Minister brushes his. Someone says that neither has any; that makes it still worse.

Mr. HANBURY: You are splitting hairs.

An hon. MEMBER: There aren't any to split.

Mr. LUCHKOVICH: At any rate I hope hon. members will accept my address as one that is spoken with the utmost sincerity. I have been asked by many people in the west what difference there is between the two parties. Not long ago an article appeared in Canadian Business, written I think by Leslie Roberts, who says that ever since confederation there have been only three fundamental differences between the two parties; in 1911 reciprocity, in 1917 conscription and in 1926 the constitutional issue. At the present time it would appear that even the Prime Minister is just as anxious to have reciprocity with the United States as is the leader of the opposition; as regards conscription, that to-day, is a dead issue; and as regards the constitutional question of 1926, that also is a thing of the past in so far as it was used then for political purposes. That there-

fore reduces the fundamental differences to nil because there are no differences, no fundamental differences to-day. I feel in my heart—

An hon. MEMBER: No heart.

Mr. LUCHKOVITCH: No heart? Well, the hon. gentleman has monopolized the hearts of this house and possibly I have none. It was prophesied by the dean and the seer of the house that the Liberals would be the next government in Canada, but in my opinion unless the leader of the opposition comes out flat-footed and puts a definite policy before the Canadian people so that they can judge for themselves as to the differences between the two parties, then the same fate will befall the opposition that has been predicted for the present government. Unless that alternative policy is presented to the people I see no point in the substitution of one party for another; and if that alternative policy cannot be supplied, then why should the people be asked to jump from the frying pan into the fire? It may be good strategy to base one's politics on the expediency of the moment and to maintain a sphinx-like attitude in face of the depression and also to bank on the public dissatisfaction with the government in order to regain power, as well as on a lucky break in the economic tide to retain oneself therein. But I feel that the party seeking power in future will not get very far with any evasive strategy of that sort. Unless an alternative is placed squarely before the people, a definite N.R.A. policy, I have no doubt that the official opposition will meet with the fate that the hon. member for Labelle (Mr. Bourassa) has prophesied for the government. On more than one occasion I have heard it said throughout Canada that the present leader of the opposition does not need a policy to get into power because public dislike of the government will put him back. That may be so, but it most certainly will not keep him in power. Unless he evolves a more genuine and practical policy, more practical than anything enunciated in this house either during this session or in past sessions, I am afraid that his characteristic vacillation will strike the death blow to parliamentarism as we know it to-day. By seeking office without offering a substitutive remedy, he is virtually putting himself "on the spot," and in view of the recent pronouncements of the Prime Minister in regard to the new order and in regard to reform, I do not think the leader of the opposition can afford to play the old stereotyped battle of the Ins and the Outs and the Tweedledums and Tweedledees, or to wait for Providence to help him out in this miserable game of politics, because in the future I am not so sure that as Sir Wilfrid Laurier used to say Providence will be on the side of the Liberal party.

Mr. YOUNG: It always has been.

Mr. LUCHKOVICH: Well, there is a new rule now to be enacted called "God helps those who help themselves," this does not mean easy campaign funds but plain hard honest application by the people and the government, and I am afraid the Liberals have not at least at the present time such a policy. In the past it seems to me—and I speak in all sincerity—that the Liberals have been sponging a little bit too much on the Almighty, but in the future it does not look as though they will be able to get away with it; for Providence has made that road much harder and the obstacles and hindrances placed thereon much more difficult to remove. I cannot conceive of the laissez-faires tackling a job that will require so much work, but if they do, then I expect their avoirdupois will greatly decrease within the next few years if in the meantime the reducing process does not actually kill them.

Much has been said about government intervention. I believe in a certain amount of it. The birth of a new order has made government intervention obligatory. I wonder how many members of the official opposition really realize what they are in for when they become the next government; for if they do not, then one must conclude with the words of the poet that "where ignorance is bliss, 'tis folly to be wise."

Mr. HANBURY: The hon. member is a living illustration.

Mr. LUCHKOVICH: The hon. member for Vancouver-Burrard (Mr. Hanbury) has given us a living illustration. He should be the last man to make a statement of that kind. I see him strutting in his seat over there. I have seen men strut while they stand up, strut while they walk, and strut while they dance, but he is the best example I know of any man being able to strut so ostensibly even while he is sitting down. As far as the official opposition are concerned they have done nothing nor said anything this session that would lead one to believe they were actually going to march forward toward their professed goal of reform. It is the same old story about tariffs, finding new markets and restoring old ones.

I was quite amused during the dying hours of last session to hear the hon. member for

South Perth (Mr. Sanderson) twitting the members on the government side and also this group about the next election, how our heads would roll into the trough of political oblivion, and how he tried to put fear into our followers throughout the country. Greatly encouraged by recent provincial victories, this grizzly old warrior started to decapitate all and sundry in the house. Even the leader of the opposition on that occasion was not free from this somewhat bloodthirsty attitude, and time and again he would emerge with club in hand to obliterate the big, bad Prime Minister over yonder and his retinue behind him.

So far as I am concerned I might take seriously the challenge in this resolution were it not for the lack of an alternative policy on the part of the hurlers. What does the resolution mean? Strange as this may seem, I intend to vote for the resolution. In view of the fact that we voted for a similar resolution in 1930, it logically follows that we must again vote for a similar one now. But I say that simply routing one form of conservatism and substituting another for it will get us nowhere. As for restoring old markets and finding new ones, I still remember the Fordney-McCumber and the Hawley-Smoot bills passed in the United States, which in 1929 killed our trade with that country in so far as agricultural products and lumber are concerned, as well as the various quota restrictions and impositions that have been placed against our exports to the European market.

The other day the hon. member for Témiscouata (Mr. Pouliot) waxed very indignant when I made certain metaphorical comments on the free trade speeches of certain Liberal lieutenants in and out of the house. References were made to the extravagant expectations aroused by this oratory, the purpose of which was to create throughout this country the impression that this fair dominion would blossom as the rose and be with milk and honey blessed, and that tyrants throughout the whole world would cringe in fear once it was learned that the present opposition was returned to power. Visions were conjured up of an irate populace threatened by five years of misrule attacking the bastile of special privilege, singing the deathknell of protection to the tune of the author, the hon. member for West Edmonton (Mr. Stewart) and of a revengeful public enraged by loss of markets marching round the walls of Jericho not once but seven times—

Mr. POULIOT: With trumpets.

[Mr. Luchkovich.]

Mr. LUCHKOVICH: —yes, until the trumpets from Témiscouata, the promulgation of the 1935 Liberal free trade policy and the acid pulverizing negotiating power of the king of Prince Albert caused the mighty rocks to crumble like sandstone in an avalanche, with a grateful electorate proclaiming their timely deliverance and the king of Prince Albert adjuring them at the time, saying: "Cursed be he before the Lord who riseth and buildeth up the tariff walls of Jericho. He shall be put to the sword, just as we killed all the other Tories within the walls of the former Jericho. And the Lord was with the king of Prince Albert, and his fame was noised abroad throughout the length and breadth of the land." Such were the visions conjured up by certain hon. members not only in this house but also throughout the country.

Mr. POULIOT: This is a caveman's speech.

Mr. LUCHKOVICH: I imagine the hon. member for Témiscouata thinks the Canadian people should now be of good cheer; for the litter will soon be refilled and our pockets will jingle again; the lowing kine and the bleating sheep and the grunting pigs will soon fill the empty freight cars and will proceed by the hundreds of thousands to the markets of the world as aforetime.

Mr. POULIOT: Don't forget the golden calf.

Mr. LUCHKOVICH: I shall not forget the bellowing calf from Témiscouata.

Such is the dream, but what is the reality? I do not propose to set myself up, as the hon. member for Témiscouata seems to think, as a U.F.A. Mark Antony either to praise or to bury the right hon. gentleman who heads this government, for, as Shakespeare said, the evil that men do lives after them; the good is oft interred with their bones; so let it be with the Prime Minister. But I do ask the leader of the opposition what he would do if he were in the Prime Minister's place. I think the country has a right to know. They will not be satisfied with the present negative attitude of the Liberal party, nor are they in a humour for the old gag, "We shall not prescribe until we are called in." On many occasions I have heard the leader of the opposition say that the Prime Minister was an autocrat. If that were so it were a grievous fault, and grievously the Prime Minister will have to answer for it. But again I say that the people have a right to know what the leader of the opposition

would do if he were in the Prime Minister's place. This rowing with muffled oars to his objective may be all right, but the people want to know what he is going to do when he gets there.

Mr. POULIOT: Something that you can't understand.

Mr. LUCHKOVICH: Again there is the loud sound that speaks the vacant mind.

We want to know what they are going to do to put purchasing power in the pockets of the people, what they are going to do to raise the price of primary products, to cure unemployment and to control the country's finances and banking facilities. We heard them say throughout Canada: If we are returned to power we are going to nationalize the banks; yet when a resolution was brought up in this house to nationalize the banks some hon. members said: Yes, we want to nationalize the central bank, but not the other banks. It is like the lady who wrote to the paper saying a certain thing resembled a man trying to learn to swim with one foot in the water and the other on the land. It simply can't be done. If you are going to nationalize the central bank you have to nationalize the other banks as well; but when that resolution came up for a vote there was a mad dash on the part of the official opposition to the narrow aperture that leads to the lobby. Many of them were almost killed in the rush, and it was noticed that those who spoke so vociferously in favour of nationalizing the banks were conspicuous by their absence when the resotion came to a vote.

Now it has been said that the hon. member who introduced this banking resolution last year introduced a tripartite amendment of alphabetical stupidity to the central bank bill. He wanted a bill for a central bank that was (a) controlled and owned nationally, (b) government owned, or (c) government controlled. This resolution must have been offered with the feeling that it might be heaven, hell or purgatory his party might share so they thought it well to make friends everywhere. I noticed in the speech he made on the amendment to the motion to go into supply that he very cautiously left out the whole subject of finance and the banks, which of course is the pivotal point, the main thing. You have to reform your finances before you start reforming anything else, and once they are reformed all the other things will take care of themselves. The policy of this group is a program of useful social services financed out of the real credit of the country without incurring interest or debt. Sooner or later that will involve the nationalization not only of our central bank but of our whole banking system. That is the alternative policy of this group, and certainly it is a better alternative than the policy produced here by the hon. member for Vancouver Centre.

As I have already said I intend to vote for this amendment of the hon. member for Vancouver Centre because it is very much like the resolution introduced by the hon. member for North Winnipeg in 1930. It is not a nice position to be, as I said, between the devil and the deep blue sea, but there is no other way out for us. So I for one intend to vote for the resolution, not because of what the hon. member for Vancouver Centre has said concerning their futile alternative policy, but because we voted for the same thing in 1930, and logically we must do it now.

Some hon. MEMBERS: Question.

Mr. JOHN T. HACKETT (Stanstead): Why so much haste to put the question? Who started this discussion?

I have followed the progress of this debate and have been amazed, in reading the proposed amendment, to see that while the aim of the hon. gentleman who introduced it avowedly was to give the house the benefit of his wisdom in discovering and applying some means that would dispel unemployment, he quite forgot to say what they were. The members of a very learned body assembled the other day for the purpose of discovering some solution for the railway problem. They passed a resolution and sent it to various hon. members. In it they called upon the government to see that effective measures were taken to solve the railway problem. That is about as definite as the hon. member for Vancouver Centre (Mr. Mackenzie) was in his speech. I noticed how warmly the hon. member for St. James (Mr. Rinfret) acclaimed the suggestion of the hon. member for Vancouver Centre that all immigration barriers should be torn down and that we should welcome to this country all and sundry who might wish to come.

Mr. MACKENZIE (Vancouver): I never said so.

Mr. HACKETT: I would direct the hon. gentleman's attention to his opening remarks, when he read and characterized with many adjectives an extract from one Hugh Wolfen-

den, who stated that our problems to-day were attributable to a number of causes, and:

—particularly in exporting countries, may be listed tariffs, immigration restrictions and other impediments to the free interchange of goods and workers.

If the hon. gentleman takes time and has the interest to reread his speech he will see that on many occasions while speaking last evening he advocated unrestricted immigration and free trade.

Mr. MACKENZIE (Vancouver): Not once.

Mr. HACKETT: I am not astonished that he is a little appalled at what he said, but if he takes the trouble to read his remarks he will find that if they mean anything they mean just that.

Mr. MACKENZIE (Vancouver): No. Just cite one sentence.

Mr. HACKETT: However it is not my purpose to endeavour to follow the hon. gentleman in the different statements he made last evening. He purported to be very much interested in unemployment, of course everyone in the house is interested in that problem. Unemployment is localized; it is to be found in the big cities of the dominion. Outside of the cities there is no unemployment that is extraordinary or need cause worry to any person. If by any chance the cities of Montreal, Toronto, Ottawa, Hamilton, Winnipeg, Vancouver and possibly Calgary were moved beyond our borders to-night we would have no unemployment problem in the dominion to-morrow morning. It is in the industrial life of the country that unemployment exists. It is because large and ever growing numbers have been taken from other vocations, particular from that of tilling the soil, that we now have this loss of equilibrium which expresses itself in large, apparently indissoluble lumps of humanity incapable, in their present situation, of providing for themselves and their families. In no province is this problem more pronounced than in the province of Quebec. In no province has the trek from the land to the city been as rapid or as continuous. In no province is the percentage of people on the land so small. To-day barely a third of the people of the province of Quebec is engaged in tilling the soil.

If we cannot devise some means of finding markets for the products of our industrial establishments we must admit that the possibility of gainful employment for people in the city is remote. The work which these people flocked to the cities to do was not work which resulted from prosperous or voluminous external trade. In large measure the work which they came to do was work which resulted from the policy of expansion and borrowing which characterized the last decade. To-day we find that cities, municipalities and provinces are heavily indebted, and it was during the period that they were spending the money they borrowed that great industrial activity occurred. I remember one day hearing the late Sir Henry Thornton say that he had built freight cars in numbers sufficient if placed end to end to reach from the city of Montreal to the city of Kitchener. It was while we were carrying on work of that kind, constructing machinery, constructing tools and implements for use in the building of roads, building telephone lines and storage dams and equipping ourselves to supply and serve a population of twenty million or twenty-five million people, when we were making these improvements many of which need never be renewed, that for a few years we found employment in the cities for people who hitherto had been engaged on the soil.

[Mr. Hackett.]

On motion of Mr. Hackett the debate was adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, February 27, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

ONION IMPORTATIONS

Mr. GOTT:

What quantity of onions was imported into Canada during the year 1934 from Australia, New Zealand, Egypt, Bermuda, United States of America and all other countries respectively?

Mr. HANSON (York-Sunbury):

Calendar Year 1934

Imports from	Pounds
Australia	3,183,370
New Zealand	3,807,016
Egypt	703,080
Bermuda	766,803
United States	2,414,391
Chile	314,115
Japan	40,000
Spain	1,681,130
United Kingdom	156,374
Yugoslavia	47,004
Total imports	13,113,283

CALAMITY POINT, B.C., FOG SIGNAL

Mr. MACKENZIE (Vancouver):

1. Is the Department of Marine in receipt of any information with respect to a collision between the ss. Princess Alice and the West Vancouver ferry No. 5?

2. Have any complaints been received by the department with respect to the fog signals at Calamity point, Vancouver?

3. Will the department make the necessary investigations with the view to establishing a completely efficient fog signal at Calamity point?

Mr. DURANLEAU:

1. Yes.

2 and 3. Complaints made last November were that the bell on Calamity point beacon does not now sound as loudly as it did when it was first installed. These complaints were investigated and found to be without foundation. The force and direction of the wind have a great effect on the carrying power of a bell signal.

L'ISLE VERTE QUE., WHARF WATCHMAN

Mr. POULIOT:

1. Was Mr. Antoine Grandmaison dismissed from the position of watchman of the wharf at l'Isle Verte?

2. If so, for what reason was he dismissed, when and at whose request?

3. Has the government appointed some one to succeed him?

4. If so, what is his name?

Mr. DURANLEAU:

1. No, he did not hold that position. His appointment as keeper of the light on the wharf at l'Isle Verte was cancelled on January 22, 1935, on account of age (over 70).

2. Answered by No. 1.

3. His successor has been appointed to take charge of the light on the opening of navigation, 1935.

4. Emile Pelletier.

DOMINION ARSENAL, QUEBEC

Mr. POWER:

1. How many persons are now employed in the various branches of the section of the dominion arsenal at Quebec known as the cartridge factory and located on the glacis of the citadel?

2. What was the total amount of the payroll in connection with employees of the said cartridge factory during the fiscal year 1929-1930 and during the fiscal year 1933-1934?

Mr. STIRLING:

1. Sixty-two.

2. 1929-1930—$61,241.05.
1933-1934—$41,038.29.

JOHN SIMON MACLEOD

Mr. DUFF:

1. Is John Simon MacLeod an inspector in the postal service in Nova Scotia?
2. What is his age?
3. How long has he been in the service?
4. Has he applied for superannuation?
5. If so, when will he be superannuated?

Mr. SAUVE:

1. Yes.
2. Sixty-nine years.
3. Since the 14th November, 1890.
4. No.
5. See answer to No. 4.

FARMERS' CREDITORS ARRANGEMENT ACT*

Mr. ILSLEY:

What is the name, residence and rate or basis of remuneration of each of the official receivers in Nova Scotia, appointed under the Farmers' Creditors Arrangement Act, 1934?

Mr. RHODES: Mr. Speaker, the information sought to be obtained by this question will be found in the answer to question No. 20, in the name of Mr. Duff, which I shall answer when we reach it. The latter question is wider in its scope.

Mr. SPEAKER: Answered by question No. 20.

Mr. ROBERGE:

1. How many farmers of the county of Megantic-Frontenac have effected a settlement under the Farmers' Creditors Arrangement Act?

2. What are the names and addresses of such farmers?

3. How many settlements have been effected to date?

Mr. RHODES:

1. Records are kept on the basis of judicial districts. The county of Megantic-Frontenac is partly in the judicial district of Arthabaska, partly in the judicial district of St. Francis and partly in the judicial district of Beauce.

In the judicial district of Beauce 35 settlements were reported to the end of January.

In the judicial district of St. Francis 35 settlements were reported to the end of December, 1934.

In the judicial district of Arthabaska 3 settlements were reported to the end of December, 1934.

2. It is not public policy to give the names and addresses of farmers whose cases have been settled.

3. Complete returns are not available from every part of Canada but the settlements reported indicate that considerably more than 1,000 settlements have been effected to date.

Mr. DUFF:

1. What are the names of the official receivers for the province of Nova Scotia, appointed under the Farmers' Creditors Arrangement Act?
2. In which district or county does the jurisdiction of each receiver reside?
3. What are the salaries of said receivers and do they receive travelling expenses or any other remuneration except salary?

Mr. RHODES:

1 and 2. F. W. Bissett, county of Halifax; R. C. Sterne, county of Lunenburg; G. Dwyer, county of King's; F. H. Patterson, K.C., county of Colchester; T. R. Hayden, K.C., county of Pictou; R. H. Butts, K.C., county of Cape Breton; J. W. Maddin, K.C., county of Cape Breton.

3. Salary of $150 a month and actual travelling expenses.

HOPEWELL, N.S., POSTMASTERSHIP

Mr. DUFF:

1. Has the postmistress at Hopewell, Nova Scotia, been dismissed?
2. How many years was she in the service?
3. On whose recommendation was she dismissed?
4. Were there any complaints respecting the office?
5. What was the nature of such complaint, if any?
6. Has a successor been appointed and on whose recommendation?
7. Is the new appointee a returned man?

Mr. SAUVE:

1. Dismissal authorized, but not yet effected.
2. Forty years.
3. The department received reports to the effect she is no longer giving personal attention to the office on account of prolonged illness.
4. Yes.
5. Postmistress gives no personal attention to office.
6. (a) Yes. (b) Col. Thomas Cantley, M.P.
7. Yes.

HOPEWELL, N.S., RURAL MAIL SERVICE

Mr. DUFF:

1. Has contract for carrying mails on rural route No. 1, Hopewell, Nova Scotia, been recently renewed?
2. Who was former contractor?
3. Were tenders asked for?
4. If so, what were the names of tenderers and what were the prices submitted?
5. To whom was contract awarded?
6. Was he the lowest tenderer?

Mr. SAUVE:

1. Yes.
2. D. H. MacLean.
3 and 4. No.
5 and 6. D. H. MacLean by renewal.

[Mr. Rhodes.]

Mr. DUFF:

1. Has the contract for carrying the mails on rural route No. 2, Hopewell, Nova Scotia, been recently renewed?
2. Who was the former contractor?
3. Were tenders asked for?
4. If so, what are the names of tenderers and respective amounts of their tenders?
5. To whom was contract awarded?
6. Was he the lowest tenderer?

Mr. SAUVE:

1. Yes.
2. Wm. McLeod.
3. Yes.
4. Ashmer Perrin, $250; Alvin Archibald, $338; Neil Cameron, $348; Thompson Millen, $348; John J. Oliver, $350; Daniel MacKay, $360; Wm. McLeod, $365; Adam Murray Halliday, $2.50 per trip or $390 per annum; Charles Matheson, $460; Ellsworth R. Sinnis, $3 per trip or $460 per annum.
5. Ashmer Perrin.
6. Yes.

HASTINGS, ONT., RURAL MAIL SERVICE

Mr. MULOCK:

1. How long did Ernest Braithwaite hold the position of delivering mail on R.R. No. 3, Hastings?
2. What remuneration did he receive?
3. Was a petition signed for his retention by persons upon this route?
4. Did the government refuse to allow him to continue on the route because his was not the lowest tender?
5. Was he an ex-service man with dependents?

Mr. SAUVE:

1. From July 1, 1929, to June 30, 1933.
2. $700 per annum.
3. Yes.
4. Yes.
5. Yes, but no information as to dependents.

PROHIBITED BOOKS

Mr. WOODSWORTH:

What books, with titles, authors and publishers, are at present on the list of those not permitted to pass through the mails?

Mr. SAUVE: It has always been considered that to publish lists of publications, the transmission of which has been prohibited in the Canadian mails, gives them undue advertising, and to that extent defeats the purpose for which they are prohibited.

TRANS-CANADA HIGHWAY

Mr. BERTRAND:

1. Was there an order in council passed by the government on date of November 23, 1932, approving a certain portion of road in Ontario as trans-Canada highway?
2. If so, designate which road has been so approved?

Mr. GORDON:

1. No.

2. See reply to No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ADULTERATION OF BUTTER

Mr. BOURASSA:

1. How many suits were taken, in the course of each of the last five years, against persons charged with falsification or adulteration of butter: (a) in the province of Quebec; (b) in the rest of the country?

2. How many convictions (with the total amount of fines): (a) in the province of Quebec; (b) in the rest of the country?

3. How many acquittals: (a) in the province of Quebec; (b) in the rest of the country?

Mr. WEIR (Melfort): Return tabled herewith.

CACOUNA, QUE., WHARF

Mr. POULIOT:

1. What are the names of the men who worked at the wharf at Cacouna in 1934?

2. How many days did each man work?

3. What was the total salary paid to each man?

Mr. STEWART (Leeds): Return tabled herewith.

FORT WILLIAM TERMINAL ELEVATORS

Mr. MacINNIS:

1. What was the total receipts of grain and grain products including flax received into Paterson's elevators K. and O., terminal grain elevator at Fort William for each of the crop years 1913-14 to 1933-34, inclusive?

2. What was the total shipments of grain and grain products, by grades, including flax, shipped from Paterson's terminal grain ele- K. and O. at Fort William for the crop years 1913-14 to 1933-34, inclusive?

3. What was the total grain stocks on hand, including flax, as recorded in the official weigh-up for the crop year 1933-34 for Paterson's terminal elevators K. and O.?

BUTTER PRICES

Mr. FERLAND:

What was the price of butter in England and in Canada during the months of July and August of the following years 1930, 1931, 1932, 1933, and 1934?

Mr. HANSON (York-Sunbury): Return tabled herewith.

TRADE WITH GREAT BRITAIN

Mr. SEGUIN:

1. What was the total figure of Canada's trade with Great Britain: (a) in 1930; (b) in 1934?

2. What was the total value of grains shipped to Great Britain: (a) in 1930; (b) in 1934?

3. What quantity of barley was shipped to England: (a) in 1930; (b) in 1934?

4. What quantity of oats was shipped to England: (a) in 1930; (b) in 1934?

5. What was the value of the grain Canada shipped to England: (a) in 1930; (b) in 1934?

6. What quantity of butter was shipped to England: (a) in 1930; (b) in 1934?

7. What quantity of cheese was shipped to England: (a) in 1930; (b) in 1934?

8. What quantity of lumber was shipped to England: (a) in 1930; (b) in 1934?

9. What quantity of wheat was shipped to England: (a) in 1930; (b) in 1934?

10. What quantity of tobacco was shipped to England: (a) in 1930; (b) in 1934?

Mr. HANSON (York-Sunbury): Return tabled herewith.

ADULTERATED BUTTER TESTS

Mr. BELEC:

1. How many samples of butter were tested for adulteration by officers of the Department of Agriculture in Canada during each year since, and including, 1930, by provinces?

2. How many of each of these samples tested were found to be adulterated?

3. How many firms were convicted for the first time for violation of the Dairy Industry Act?

Mr. WEIR (Melofrt): Return tabled herewith.

MOTIONS FOR PAPERS

CHARLEVOIX-SAGUENAY PUBLIC WORKS

On the motion of Mr. Casgrain:

For a copy of all paylists and accounts for materials in connection with work done by the Department of Public Works in the county of Charlevoix-Saguenay during the years 1933 and 1934.

Mr. STEWART (Leeds): Mr. Speaker, with regard to this motion I have discussed the matter with the mover and we have arrived at a solution which for the present will not make it necessary to present this motion to the house.

Mr. SPEAKER: Motion withdrawn.

Motion withdrawn.

CARIBOU ISLETS-TRINITY BAY MAIL SERVICE

Mr. CASGRAIN:

For a copy of all documents, letters, correspondence, telegrams; also the list of tenders and the names of tenderers, in connection with the contract for the carrying of mail between Caribou Islets and Trinity Bay, on the north shore of the St. Lawrence river, in the province of Quebec, from the 1st of February, 1934, to date.

GRAND ETANG HARBOUR, N.S.—WEST PIER

Mr. DUFF (for Mr. Ralston):

For a copy of all advertisements, calls for tenders or requests for prices, contracts, corre-

spondence, documents, and memoranda, including payrolls and accounts since July 1, 1934, in the possession of or under the control of the government respecting extension of West Pier at Grand Etang harbour, Inverness county.

POINTE-AU-PIC, QUE., WHARF

Mr. CASGRAIN:

For a copy of all letters, telegrams, correspondence, and other documents, in connection with repairs and improvements made to the wharf at Pointe-au-Pic, Charlevoix county, and a copy of tenders submitted by various persons or companies in connection with the above works, since July 1, 1934.

ARCOLA, SASK., POST OFFICE

Mr. McKENZIE (Assiniboia):

For a copy of all letters, telegrams, and other correspondence, passing between any member of government or any official and any other person or persons since January 1, 1934, in connection with the purchase of a building in Arcola, Saskatchewan, for post office purposes.

SUPPLY—UNEMPLOYMENT RELIEF

AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed, from Tuesday, February 26, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of supply, and on the proposed amendment of Mr. Mackenzie (Vancouver).

Mr. JOHN T. HACKETT (Stanstead): At adjournment last evening I had told the house that unemployment exists only in the large cities of the dominion. I had suggested that there are in these cities half a million workers who are without work, and I was about to inquire how this surplus population had found its way into the cities. The answer is probably twofold. The first is to be found in our immigration policy. For many years we have welcomed to our shores people of varied vocations and of varied training. It is true that most of those who came here immediately before the depression were classified as farmers or farm labourers, but a careful scrutiny of those who arrived between 1925 and 1930 will show very clearly that a substantial percentage of them either remained in the cities or found their way there shortly after their arrival, attracted by the high wages and other incidentals of city existence. For the ten years which preceded 1930 about 150,000 people a year were received into the dominion, or about a million and a half. The second reason for the surplus population in the cities is to be found in the trend of population from rural sections to the cities. Fifty years ago only eighteen per cent of the population of Canada resided in urban centres; in 1931 about fifty-four per cent of the total population of Canada resided in the cities.

If in these centres there are half a million workers for whom there is no work, and we consider that these half million workers and their dependents constitute at least a tithe of our population, it would seem to me to be a very prudent thing to inquire whether there is any reason to anticipate that there will be employment for these workless people in a future which is not too remote. We have heard economic nationalism, national self-sufficiency, criticized in this house; and we have heard scathing references made to those who practise it. But whether we like it or not, it is a fact, and it is one which is well established in all countries of the world. It is one which we as well as others are practising. It is a doctrine which has its foundation in a very human and very natural sentiment. When there is not bread enough for the whole company we feed our own family first. I suggest therefore that unless we can see some hope of employing in gainful work those who are out of work in our cities, and of doing so in the immediate future, it behooves us to consider very carefully whether they may not have to be removed to other places where they can earn at least their own food and where they will cease to be dependent on the other nine-tenths of the population of the country.

We have heard a great deal of the woes of the unemployed. I do not think that the Conservative party or any member in this house is unaware of the embarrassment of the man who is without employment and without the means of sustaining his family. But after all there is another element in the community about whom we have not heard so much. We have heard a great deal about the man without a job, but it is about time something was said of the man with a job who is bearing the burden of the troubles that are weighing so heavily upon the country to-day. We find that the burden of maintaining the unemployed has become very heavy and it is making itself felt in the large centres to such an extent that our cities are on the verge of bankruptcy and are resorting to all manner of expedients to support those who are out of work. It seems to me that we should recognize the fact that a country cannot exist or persist if its cities cease to perform their allotted functions. The cities are the great pulsating organs of the national life and by them the blood of trade commerce and policy is put into circulation. If the cities become bankrupt and are unable to

perform this function necessary to national existence, the nation as a whole is bound to suffer if not to perish.

I have noticed that the hon. member for Vancouver Centre (Mr. Mackenzie) has not given any credit to the government for enacting policies which I think admittedly have not only made our situation better but in any event have prevented it from becoming as difficult as the situation is in other countries. I believe the policy which raised tariffs and gave employment to our own people was a beneficent one and one which was helpful to the Canadian people as a whole. I believe the policy which closed our doors to immigration and negotiated trade treaties, was wise and useful, but I was amazed that the hon. members entirely overlooked the policy of land settlement which has been practised by the government and which has achieved very substantial success. It has not been heralded abroad as widely as have some of the other activities of the government. I have before me a statement of the work accomplished by the Department of Labour showing a situation which I think should arrest the attention of the house. I find that from October 1, 1930, to December 31, 1934, no less than 132,444 people have been taken from the cities and established on the soil or in work on the soil. Families settled on farms at no expense at all to the government number 15,589 and comprise 77,945 persons. Single men placed in farm work number 33,842, making a total of 111,787, all of this having been done without any expense to the country. As regards settlement with financial assistance under what is called the tripartite agreement the relief settlement from June 1, 1932, to December 31, 1934 plan, 3,948 families or 20,657 individuals were placed on the land. This, with the total which I gave a moment ago, makes a grand total of 132,444 persons, a notable achievement. The disequilibrium which is the cause of so much difficulty at the present time, manifested through unemployment and the ills that are incident to inactivity, the dissatisfaction and the festering discontent in the large cities, can be remedied to a great extent by a further prosecution of this back to the land program. I do not profess that everyone is suited to become a farmer on a large scale, but if a survey were made of the six or eight large centres of the dominion, many heads of families would be found who would be suited to take up land in the unorganized districts, and a large number would be suited to take up small holdings in organized districts. With a small amount of assistance great and permanent relief to this ill could I believe be found. If it be true that gainful industrial employment will not in the immediate future be available to the half million unemployed, any temporary expedient which gives them a dole or a certain amount of employment on public works which are more or less necessary, is a plan which does not commend itself to my judgment. Such a policy but "skins and films the ulcerous place" which it can neither probe nor heal; it does not cut out the sore; it does not make for cure, whereas if families are reestablished on the land where they can provide for themselves, they cease to be a burden to the state and a problem to the centre in which they live.

On several occasions I have spoken in similar terms in the house and have exposed myself to the jeers of some hon. members who sit opposite. One invited me to make an attempt at farming myself, and another made some scathing remarks as to the manner of life which people lead on the land. I do not take these jeers too seriously; debate in this, as in other deliberative assemblies is conducted in that way. But I do suggest that when people are unable to provide for themselves, when for months and years they have been sustained by others, they should not be too critical of the means and opportunities offered them to become again self sustaining. I thoroughly believe that the vast majority of those who are out of work are anxious to get back to work, but I think we should also recall that throughout the ages people have not been able to escape entirely from trial and tribulation, whether they lived in Canada or elsewhere. There are things which are essential to life; they are bread, clothing, and, in countries like this, fuel; and when people have been given the opportunity to secure these they have attained quite as much as the bulk of humanity have ever been able to enjoy as far back as the records of the human family run. So I am not too much disturbed by the criticism of those who say that all should be entitled to a livelihood on a very high plane. We have cherished a delusion of that kind for a few years back; we are now paying the penalty of having been deluded.

We are approaching the spring of the year; I suggest that it would be most beneficial if we could at the time further accelerate the land settlement undertakings of the Department of Labour. I believe that if a careful survey were made it would be found that a very substantial proportion of those who are out of work and who are suited

to take up life on the land would be glad of that opportunity. I wish to make it quite clear that I do not advocate that all be sent off to the hinterland, merely to drown their cries of distress in an engulfing wilderness. But I do believe that with a measure of assistance a substantial number of unemployed could be placed where they would be able to make their own livelihood and regain that self respect which comes from independence.

We have heard a great deal about housing, We have heard a great deal about slums, and it has been suggested that we should devote large sums of money to tearing down buildings in the cities and replacing them with modern dwellings. I suggest that substantial sums be used to build modest homes for those who are suited to go on the land, to build those homes, or some of them at least, in districts already settled, where there are churches, schools, telephones and highways. By doing this we shall enable those who for so long have been dependent to become again self-sustaining. This would not be extremely expensive at the present time. There are few farmers in the east who are not overburdened with land, on which they find it difficult to pay the taxes, and large numbers of small farms of a few acres each could be purchased in almost any of the eastern townships, and people adapted to life on the land taken from the cities and established on them.

I hope that the hon. gentleman who introduced this amendment will realize that he has overlooked this very valuable piece of work which has been done during the past four or five years and in his reply will give the encouragement of his support to its acceleration and encourage it later by his voice and vote.

Mr. WILLIAM IRVINE (Wetaskiwin): I hope the hon. gentleman who has just taken his seat (Mr. Hackett) will excuse me if I do not spend any time dealing with the matter which has engaged his attention, as I cannot imagine anything being further from the actual problems of Canada than the question which he has been discussing.

I think the matter of human suffering, which has become so widespread in Canada and in the civilized world, owing to our inability to use the goods which we are able to produce, is well worthy of the time which this house has so far spent in this discussion. I think we are indebted to the hon. member who by his amendment brought to the attention of the house and the country this major problem of our time. Of course the amendment moved by the hon. member for Vancouver Centre (Mr. Mackenzie) is in effect one of want of confidence. He bases his no confidence motion on the fact that the government has failed to solve the problem of unemployment. If failure to solve the problem of unemployment merits a vote of no confidence I am surely going to vote for this amendment. I shall do so for the same reason that I voted no confidence in the government preceding this one, when the party to which my hon. friend from Vancouver Centre gives his allegiance was in power. We moved a similar resolution to this for a similar reason, that that government had failed to solve the problem of unemployment. In fact I imagine that such a motion would be applicable to any government in the world at present, with the possible exception of Russia. So I agree with the hon. member for Vancouver Centre in that respect. I agree with him also in another respect; he said the other day that the government had sown the wind and was reaping the whirlwind. As I looked at my hon. friend when he said that I could easily agree with him that they were certainly reaping the whirlwind, for there was no lack of either whirl or wind.

But of course unemployment is not a new problem; we have been discussing it ever since I came to this house. It is true that the problem is getting more acute, but the causes of unemployment during the nine years of Liberal rule were exactly the same as they are now. It is true that there were not so many unemployed, but it is also true that those who were unemployed had the same right to be employed as the greater number have to-day. Time and time again I, the hon. member for Winnipeg North Centre (Mr. Woodsworth) and others of this group brought the unemployment question to the attention of that government, as we have done with this government, so I say the problem is not new but is only growing more acute. The efficiency of machine production determines the size of the unemployed army. Poverty keeps pace with our progress day by day. However much we may deplore the lack of action on the part of this and other governments in years gone by in dealing with the unemployment question, a neurotic haste in doing wrong things at the eleventh hour will not make matters very much better, and I would say that the proposals of the hon. member who moved this resolution, with which I will deal later, are proposals made in neurotic haste to do wrong things.

The debate so far has not dealt at all with the economic question which is the problem of the modern world to-day. I think I could

sum up the entire debate, so far as the two major parties are concerned, by saying that the Liberal party has demonstrated beyond doubt that the Conservative party has failed to solve the problem of unemployment, and I think the Conservative party has demonstrated with equal thoroughness that the Liberal party did not solve it when it had the chance and do not know how to solve it now. I think I agree entirely with both sides; I think we can make it unanimous. Each has proved that the other could not meet the problem. So I am glad of this debate if for no other reason than that it affords most excellent propaganda for the C.C.F. That is what I have been trying to prove for a long time, and now these two parties have helped me out by proving it themselves, so that is something we will not have to do over again. Any person reading the debate on this, as on other motions, and seeing how effectively and completely the one party has proved the inability of the other, surely cannot have very much faith in either.

The hon. member who moved this motion apparently holds the view that if the Liberal party were in power it would be better for the unemployed, that the Liberals would be able to carry on in a better and more effective way than the present government have done. That may very well be, but I would ask on what grounds the hon. gentleman expects the members of this house or the people of Canada to believe him. First there is the ground of past experience and past history. It is an unfortunate thing that history should come up thus to meet us on the very threshold of a great ambition, but it does, and the history of the Liberal party—with which I need spend no time because, as I say that has been dealt with very well by the Conservative party—during the nine years it was in office here shows that it was just as helpless to meet the unemployment situation as the present government was or is. We moved similar motions time and time again. I recall that the last one we moved was in the last session during which the Liberal party held power. We did all we could to impress the Prime Minister of that day with the fact that there was unemployment in Canada, but I recall that he spent a good deal of time in trying to prove to us that there could not be unemployment in Canada because during that year Canada produced more goods than during any other year in all her history. Therefore he argued that there could not be unemployment in Canada. Everyone knows that the figures he gave were accurate, and that because they were true there was unemployment, for what makes unemployment but producing more goods than you ever did before? On that occasion, sir, I did my best to put the government out of power because they had no policy with regard to unemployment. I shall do the same with regard to the present motion and the present government and for the very same reason, that neither party has done anything at all to meet the economic condition from which unemployment comes.

So with regard to the past there is no good reason why we should believe that the party of the hon. member for Vancouver Centre (Mr. Mackenzie) would do any more with regard to unemployment than the present government have done. My second reason, however, is that even in his proposals he speaks only for himself; he is not speaking for his party, and he makes that very clear. I have very great respect for the personal opinions of my hon. friend. I am always glad to hear them; they are fresh from the anvil of his own hammering, they are sincere and they are vigorously expressed. But after all they are only his opinions and really they have no more value than my opinions, nor does it mean that the Liberal party will stand by his opinions any more than they will stand by mine. So from that point of view also there is no reason to suppose that his party would do any better than the other party.

The next reason for lack of faith in his proposals is the proposals themselves. The views expressed by him, however commendable they might be in themselves, have absolutely no bearing upon the main issue now before the people of Canada. I will refer briefly to some of his arguments, and first I should like to refer to what he regards as the causes. I want to state emphatically that in my opinion he is entirely wrong with respect to what he regards as causes; in fact not one of the causes that he mentions is a cause of anything at all. They are results and effects, not causes at all. First he says there are the unemployable. The unemployable are not a cause; they are the result of something else. Next he speaks of rapidly changing adjustments, and I suppose he means the necessity for rapidly changing adjustments, which we have failed to make. He says that is another cause of unemployment, or in other words he has very properly said that unemployment is a cause of unemployment, however that may sound. Then he says that the codes of many organizations in Canada to-day, as in other nations, make it almost impossible to provide gainful occupation for many of

our youth. That, he says, is another cause. That is the problem itself; that is not a cause. Next he says that business cycles of unemployment are inevitable. Is that a cause of anything? Is it even good sense to make the statement? It may be very true; it is true that these cycles have been recurring over certain periods of history, but to say that they are inevitable, that they must keep on, is to say that we are incapable of dealing wtih the economic problem which produces those cycles.

So these are not causes at all, and since my hon. friend from Vancouver Centre has not found the cause it will not be surprising if he fails to find the remedy. Then he proceeds further to indicate that laissez-faire spirit in which he was born and bred, in which he has grown up and which he still serves most faithfully. I want to quote that section because I believe it bespeaks his political impotence:

> Business itself must be willing to outlaw those forms of competition which are socially destructive.

That is the abracadabra of politics so far as the hon. member is concerned. He says business ought to do that, "And so, please, Mr. Business, kindly please the hon. member for Vancouver Centre; get busy and do it." That is the spirit behind the statement I have read.

But notice further: He indicates he wants to get rid of the fruits of competition without getting rid of competition itself; he seeks to do something which is impossible. So far as the evils of competition are concerned the hon. member stands with hon. members in this corner of the chamber, but he parts with us when he says, "These evils we hope big business will smooth out, but we will keep competition." That is a most impossible position to take. And so he states that "business itself must be willing to outlaw those forms of competition which are socially destructive, and it must give due shares to labour, the consumer, to management and to capital." Again we must leave it to the moral sense of big business and soulless corporations to do the fair thing with labour and the community. Of course that is the spirit and soul of Industry and Humanity—a very excellent book, the only difficulty with it being that no person ever thought of attempting to follow the suggestions contained in it, and if he did make such an attempt I am afraid he would not go very far.

Then the hon. member continues:

> It must be content with business profits—

That is, big business.

[Mr. Irvine.]

> —and must not search unduly after illusory and unsocial speculative gains.

In other words the corporations must be good little fellows, go to Sunday school, do all the things we ask, and we will allow them to proceed. He states:

> It must be willing to endure that minimum of government control which the general interest requires. In short, shall I say, there must be a new partnership between business and politics in Canada for the sake of the common man.

What a glorious and pious wish that is! Then,

> Governments need the assistance of constructive and productive business, and I think business needs the guidance and cooperation of governments, not bludgeoning, not dragooning, not conscripting, but in a real alliance responsive to the promotings of the social conscience.

So that we are not to force anything; we are not to have any law which would compel these people to do the right thing. We are just to ask them nicely to do it; we are not to dragoon them, but must leave them to the social conscience. But a corporation neither has nor can be affected by a conscience.

That is the second hopeless feature of the proposals offered by the hon. member for Vancouver Centre. We turn next to his personal proposals. These are many in number; I believe he strained to reach fourteen, but scarcely made it. I imagine the effectiveness of these proposals must be judged in inverse ratio to their numerical strength. Let us go over some of them. First he states he is giving only his personal views. Then he said:

> I sugest that we should have immediately at our disposal a complete census and registration of those now unemployed.

Well, there is no cure for unemployment in a census, that I know of. For a long time we have been taking the census of the unemployed and yet we have made no progress. Indeed the hon. member quoted figures which I presume were fairly accurate, but the fact that he had those figures did not help the unemployed. However, he states that if we have those figures we will proceed to find how many are unemployable, and that when we have found the number we must find some special measures for their care. Precisely, Mr. Speaker; that is begging the question. What are the special measures for their care which the hon. member for Vancouver Centre had in mind? That is the point. We have to take his word that he will provide special measures, but we do not know what they are or how he will provide them.

Next he states:

I want to advocate the handling of this entire problem as one of national emergency.

Again that would not help unemployment. Every problem of a social nature is more or less of a national emergency. Then he states:

I advocate the undertaking by the government of public works on a limited scale in which the greater proportion of the appropriation shall go to labour rather than to supplies or equipment.

He does not indicate how the greater proportion is to go to these people who do the work. May I point out to the hon. member that the only way the government could carry out the works suggested under his proposal would be to go further into debt. When the hon. member had completed his public works the unemployment situation would not be improved, and he would not have touched the problem at all. Then he states:

I advocate cooperation with the construction industry and other business for privately directed works and undertakings, their financing to be assisted by the government, which shall be completely reimbursed for any advances made.

That is to say, he proposes that to give people work the government shall finance private institutions making private profits. Already we have more of the goods which those people would be engaged in producing than we know what to do with. Yet that is one of the cures he suggests for unemployment. Next:

I suggest adequate, immediate and effective measures to increase our domestic and foreign trade.

The proper answer to that is, "Oh, yeah?" But these "adequate, immediate and effective measures" have no existence, not even in the imagination of the hon. member—and he has lots of that. They have no existence; no person has proposed them, and in the second place there is no foreign trade to be got, no matter how much he may plan to get it. He goes on:

I suggest the reduction of rates of interest on all outstanding obligations in the Dominion of Canada.

That is a suggestion of which I approve, but certainly it has nothing to do with the unemployment situation. I would go farther than my hon. friend; I would not only reduce it, I would wipe it out entirely. It will have to be wiped out and it ought to be wiped out. There is no justification for its being maintained. Why should it be two per cent, why three per cent, why any per cent? If we can justify one we can justify the other.

But the suggestion of the hon. member has nothing to do with unemployment. Then:

I suggest a national conversion scheme reducing the interest on all internal debt to two and a half per cent.

Again I would have no objection to reducing the interest; I would prefer to wipe it out entirely, but that would not employ our people. Next:

I advocate immediate negotiations with outside nations where our external bonds are held, for a mutually satisfactory scheme for the reduction of interest on external bonds.

Again I have no objection to his going cap in hand to those outside of Canada to whom we owe money and pleading with them to reduce our interest rates. Although I have no objection to it, I do not think we would get very far by doing so. Then:

I suggest the increase of our currency by $430,000,000, which is scientifically justifiable by the appreciation of gold values.

Just notice that,—"scientifically," if you please. He uses the expression "scientifically justifiable." May I point out to my hon. friend that if we did that, then perhaps next year we should have to kill the $430,000,000 because of the depreciation of gold, and we would be just as unscientific in the one case as we were in the other. I would ask my hon. friend to please not charge up to science the superstition to which he adheres. There is no man who can talk of a scientific monetary system that deals with gold or the gold basis, and I hope my hon. friend will keep that in mind.

But here is the point, Mr. Speaker. What is he going to create this $430,000,000 for? He is going to create it to pay the bondholders of Canada for fear they might lose something. He is going to pay the debts of Canada with $430,000,000 of credit supplied on a scientific gold basis. I do not give a curse for the bondholders of Canada at the moment. I am not going to create $430,000,000 to pay them. I want $430,000,000, if that is enough, to go into the pockets of the people of Canada to buy goods, but as soon as you pay $430,000,000 of debt you have cancelled $430,000,000 of purchasing power. There is the economics of my hon. friend from Vancouver Centre. That is his proposal, and perhaps it is just as well that it was his personal viewpoint only, and that he was not speaking for the Liberal party.

Now I turn to some other proposals which he made. He wants to balance the budget. I am not interested in that. That is a bankers' policy. Next he says:

For the permanently unemployable I suggest the extension of the principle of the War Veterans' Allowance Act.

I have no objection to extending that to everybody in Canada, so far as I am concerned. He also said:

For the partially unemployable I suggest physical reestablishment for a limited period and land settlement on small holdings.

Now what does that mean—physical reestablishment for a limited period? And then, mind you, land settlement. I wonder why he did not get into cooperation with the hon. member who preceded me in this debate (Mr. Hackett). Anyone who starts out with a policy of land settlement at the present moment I think had better not be replied to at all. I think that is the best way to treat that argument. The hon. member for Vancouver Centre went on:

Such then, Mr. Speaker, is the problem and such are some of the suggested remedies.

Now, Mr. Speaker, with all due respect to my hon. friend I desire to emphasize that he never even got in touch with the problem in his whole speech and he did not have a single solution in the whole twelve or fourteen or sixteen, or whatever it was, points that he put forward. I know that the government has not got a solution either, but I am centering my attention on the man who moved the motion because he thought he had something, and I want to find out whether he does have something or not.

I know that the government has not a solution for this problem so far. It may have one in its mind but it has not proposed it, and so I am centering my attention on the proposal that is before the house. And such are the proposals that the Liberal party spokesman, although he was not speaking for the Liberal party, asks us to consider in connection with the unemployment problem. I might put it all in a word and say that my hon. friend is trying to patch capitalism, and that, of course, is what the government is trying to do. My hon. friend proposes to patch it in a new place. He is proposing a patch of a different colour and of a different size, but apart from that there is no difference between his patch and the patch of the government except that perhaps, after all, the patches of the government would be more effective than the ones he is proposing to put on.

Mr. GARLAND (Bow River): On which part?

Mr. IRVINE: Modestly forbids me to tell you exactly where they would be. So far as I am concerned, and I think that in this I am speaking as well for my group here, we do not believe that the system can be patched effectively or in such a way that it can serve adequately. I do not hold that as a mere belief. I would be prepared, if I had the time, to bring the facts and the arguments also.

I want now, in order to keep within the time limit at my disposal, to summarize some of the reasons why we believe that capitalism cannot be made to work effectively no matter who is trying to do it. And I still wait, as I have waited many years here, for any man on either side of the house to say how it can be made to work. I still throw that challenge to the hon. member for Vancouver Centre. If he is going to patch this system to work successfully he will have to meet the debt situation, both private, national and international, and there is no proposal to-day from anybody that will adequately pay the debts either of the individual or of the nation or international debts. Even if they could pay them, if they carried on with the present system it would be only a few months before they would have the debts duplicated because there is no private undertaking, there is no corporation undertaking, there is no public service or public work that can be undertaken until there is first a debt created to make the undertaking possible, and if the debt-creating system is carried on, as the hon. member for Vancouver Centre presupposes in his patching, then even if he could pay the debts, they would be back on his shoulders again in a very short time. But he not only does not propose to do away with the debt-creating system; he does not even know how to pay the debts that are already there.

Next he deals or tries to deal with a method of putting more people to work. I do not want to put more people to work just for the sake of putting more people to work. The only way we can put more people to work in Canada to-day is by putting more debts on the backs of the people. Under the present system or under the proposals of the hon. member for Vancouver Centre, and also under the proposals of the government, if you could put people to work it would simply mean more unpayable, impossible debts put upon the backs of all the rest of the people of this country. Now until my hon. friend from Vancouver Centre or some hon. gentleman representing the government can tell us how they can put the people to work without creating debts can we regard either party as fit to carry on government? They cannot make capitalism work because it has gone as far as it can under its debt-creating character.

Next capitalism cannot go on without markets. People will not keep on producing goods unless they can sell them at a profit. Will the hon. member for Vancouver Centre or anyone on the government benches tell the house how they propose to get more markets for Canada. I want the hon. gentlemen to tell me in what country—let them be specific for once—we can find a market, and for what shall we find a market in that country, and for how much of that will we find a market in that country, and for how long will we have that market, and finally what will that country take from us in exchange for that which we want to get from that country? These are matters of data. Where are these markets? It is all very well to talk of wider and freer markets, of adequate methods of extending our foreign trade and all that sort of rhetoric, but where are we going to extend it? What are the goods to be sold? How much will those other countries take from us? Those are the questions which the hon. gentleman failed to answer.

Let me say next that there is no unemployment problem at all. I know that that will sound to some just as foolish as it sounded fourteen years ago when I said from this same seat that we should not go back on the gold basis but that we should reorganize the financial structure of Canada, and that we should forthwith manage and control our currency and credit in relation to the economic demands of the state. I can hear yet the jeers of the cabinet of that day.

I say to you, Mr. Speaker, that there is no unemployment problem. Unemployment, which should be leisure, is the boon which has come to this age as a heritage from the past. It has been made safe to us by the combination of human intelligence and ingenuity and mechanical skill, combined with the use of solar power in the production of the necessities and comforts of human life. The more of these machines we use and the more solar energy we employ to drive them the more leisure the people have. And then we say that we have a problem of unemployment. What we have is a problem of vast social stupidity; That is our real problem.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: You can "oh, oh" just as much as you like, but I will let that statement stand on Hansard to speak for itself twenty-five years from now or fifty years if it takes you that long to discover that we have no unemployment problem. Unemployment should be a boon. Our real problem is to make the fullest use of all the means of wealth production at our disposal and to distribute the products to the people. Why not spend a couple of days discussing that question? Why not get to the heart of the real problem? I do not care who has failed to solve it; I do not care whether the mistakes of the Conservative party are more or less than the mistakes of the Liberal party; I am not even interested in talking about unemployment. What I want to discuss is the question of using the idle plant equipment of Canada and the great, the vast natural resources of the country so that we may produce more goods for the people and, finally, the distribution of those goods so that the people may use them. For who is insane enough to advocate production unless what is produced is consumed by the people? And surely that is the point where our system is breaking down.

Now what is the best way of distributing goods? By wages, as we have been doing in the past? Well, wages can distribute with some efficiency while there is a scarcity of goods, but never with complete efficiency. Shall we continue trying to distribute the production of machines and solar power, production in such abundance as we know is possible, by the wage system, or shall we turn from the wage system or augment that system by a meagre, begrudged national charity? That is the only other proposal that has so far been put into action. Or shall we rather seek to distribute this abundant production by means of social dividends based on the national capacity to produce the things of life? If people have the money goods will be distributed. The chief way which the working classes have of getting money is by working for wages, but at no time have they received sufficient wages to enable them to buy back the products of their labour; and as time went on and machines displaced men and produced in greater abundance it was found that men could be dispensed with, so that they no longer had any jobs at all and therefore no purchasing power, and consequently there were huge supplies of goods that had to be burned or otherwise destroyed from time to time by corporations or by government intervention.

Primarily our problem is one of distribution, and distribution is a question primarily of finance. How can this country get money into the pockets of the consuming public? I should like to hear that question discussed. Well, we must have the right to create money as required for the distribution of goods, and that means that we must take that power out of the hands of private individuals

and utilize the social credit of the state in the interests of the people. My hon. friend from Vancouver Centre is willing to create $430,000,000. But why $430,000,000? He proposes that sum because he says he is scientific and wants to refer it to a gold basis. But why a gold basis? Let me invite the attention of the hon. gentleman to a far more sensible and far more scientific basis than that for the issuance of supplies of money. I would invite him to consider the fact that the assets of Canada are plant, equipment and natural resources, and that these assets are estimated at $30,000,000,000, whereas the annual output of wealth is about $6,000,000,000. Now that is a much better basis for the issuance of credit and currency than the antiquated, superstitious gold basis by which he is prepared to limit the issue of credit.

The first basis of such social dividends as I suggest is this. The great proportion of our increased production to-day is due to association and organization, so that much of the wealth produced is not traceable to any effort of any individual but rather to the social, communal efforts of all together. That is the first basis. The next basis of modern wealth production is really a heritage from all the past in mechanical ideas and in discovery and invention, as well as in organization. All these factors have made it possible for us to produce in greater abundance, but all these came to us from millions of people in the past; and these factors cannot be mastered or controlled by any one individual or corporation. We cannot allow that; they are not for sale and they must not be bought, no matter how much money any man has to buy them. These facilities of production, representing the genius of the race, are the heritage of this age; they are responsible for our increased wealth. And on that almost inexhaustible source we have a right to draw for the man who has been put out of a job by the machine, and to see to it that the goods which the machine that took his job produces shall be vouchsafed to him as a means of livelihood.

That is our problem, and there is no proposal, either from the government or from my hon. friend who moved this motion, that solves that problem. I do not suppose that any proposal of mine in this connection would be immediately and unanimously passed by this house. I will not now propose the complete financial reform which I think is necessary, but I do suggest that we make a beginning, and for once our beginning should be constructively at the point of finance. I suggest that we begin by putting our machinery and solar power to work to produce everything we need. If we do not need things we will not produce them, and if they are already produced we will use them. But with these machines we should build homes in the most modern fashion, and all our social institutions, hospitals, schools, colleges, universities, roads, bridges, crossings and highways. Let us enter upon a program of protection of our forests for future generations. Let us develop our vast coal fields for power and let us harness the water powers of the country so that we may bring every agency of modern civilization within the reach of the population living within the confines of Canada. That is a task which will put a good many people to work for a while, and after that is done they can lie back in leisure and enjoy watching the machine doing it for them. But that is our task, and the only means of accomplishing it is to employ the social credit of the nation and to utilize it, in its financial expression, to enable the people to buy back the goods they have already created and which are lying on the shelves of the warehouses or being destroyed because people are unable at present to use them. Put the money to that use and we shall soon find it necessary to produce more goods. Let us make that beginning by the proper use of the national credit and by giving social dividends to our people.

And through social dividends let our people have pensions starting, if you like, at the age of fifty-five, so that people of that age and over may vacate the production field and thus make room for the oncoming youth who will take their places in the workshops of Canada.

Mr. ONESIME GAGNON (Dorchester): The hon. member for Wetaskiwin (Mr. Irvine) will not, I hope, be offended if I do not immediately follow his arguments. I would like first to express my amazement at the caprioles and volte faces of hon. gentlemen opposite on the question of social legislation. The day before yesterday when we were about to move to go into committee of supply to vote moneys part of which would tend to relieve unemployment, the hon. member for Vancouver Centre (Mr. Mackenzie) immediately rose and proposed a motion which might be summed up as follows: you want to vote money. We say no because we want to declare before you do so that you are not doing anything to relieve unemployment.

May I say at the outset that I have a great admiration for the talents and eloquence of the hon. member for Vancouver Centre. Comparisons are certainly almost always bad because they lack the element which makes for perfection, but I hope my hon. friend will not be offended if I compare him to a promising apple tree matured and flourishing under the benevolent rays of the Vancouver Sun. I am afraid that my hon. friend, even if he is later entrusted with the noble task of salvaging the Liberal party from the valley of humiliation will never succeed in providing the electors of Canada with the golden apples of the Hesperides, because at the present time I am sure the house will realize that no Liberal Hercules can kill the dragon whose hundred heads are the numerous broken pledges of the Liberal platform of 1919.

Although I very much admire the hon. member for Vancouver Centre, may I express wonderment that instead of criticizing the government and finding fault with our efforts toward bringing into effect social legislation, he does not come to the rescue of Mayor McGeer and Premier Pattullo in order to salvage the financial situation of his province. Last year we had very interesting debates before the banking and commerce committee and the hon. member for Vancouver Centre brought from the sunny coast of British Columbia a new financial prodigy who was supposed to give us a panacea which would cure all our social and financial evils. For two long days we heard Mayor McGeer indulge in the wildest theories of state currency inflation. Of course nobody but himself could go into the vast depths of financial science and understand his theories. The only compliment I might pay to Mayor McGeer is that his theories were less proposterous and more understandable than those of Major Douglas which may give much joy to the Ottawa Citizen but which nevertheless cannot be understood by any Canadian citizen who has ordinary common sense.

What has been the effect of the theories of Mayor McGeer? He has been elected mayor of the great city of Vancouver and he has attempted to solve the question of the interest due on the bonds of that city. The other day we found the London newspapers stating that due to his attitude, due to his wild theories, the values of all the bonds of the cities of western Canada were declining on the markets of the world. I wonder whether our friends the Liberals will provide some saner theories after they have come out of the great banquet the newspapers this morning have announced our friends are going to give to their leader some time in the month of March.

Some hon. MEMBERS: Hear, hear.

Mr. GAGNON: I am pleased hon. gentlemen opposite are rejoicing beforehand at what they expect will take place at this celebration, but I hope for the electors of Canada the theories that will be then propounded will be more constructive and saner than the wild theories of Mayor McGeer and his protagonists in Canada and elsewhere.

May I now deal with the resolution which is tantamount to a motion of non-confidence whereby hon. gentlemen opposite are giving vent to their discontent because we Conservatives on this side, true to our doctrines and traditions, are going to bring about the necessary measures of reform to save Canada in these depressing times. To our bewilderment what do we see? And now I come to the speech of my good and genial friend from Wetaskiwin (Mr. Irvine). We see the hon. gentlemen in the extreme left corner who are pleased to call themselves Progressives, are going to vote with the Liberals and against us on this resolution. May I ask them why they call themselves Progressives and vote for the Liberals who since 1919 have done only one thing—broken the solemn pledges they made to the electorate in Canada in order to get into office. When we hear the eloquent speeches of some hon. gentlemen in the extreme left corner, we realize they vote with the Liberals with great regret; we even see sometimes almost tears in their eyes because they realize that conditions are very different from what they were in 1930 when they voted with the Conservatives on a motion of non-confidence against the then Liberal administration. As I said, at this time conditions are very different. Since 1919, no reforms were brought about by the Liberals. We heard the present leader of the opposition state in the house that he would not give a five cent piece to Tory provinces in order to relieve unemployment. Further, we heard him quote a telegram from Premier Taschereau of Quebec in which the Liberal leader of that province stated that there was no unemployment there. We know very well that the Liberal party did not enact any measures of social reform although at the Liberal convention of 1919, Liberals pledged themselves to do so. Conditions are now much different because since the Conservative party came into power they have voted millions to relieve unemployment. This month the federal contribution to relieve unemployment exceeds $1,500,000; more than

$100,000 a day is spent throughout Canada to relieve unemployment. Further, how can these gentlemen from Alberta and Saskatchewan forget that since 1930 we of the so-called capitalist provinces of the east have saved from bankruptcy the provinces of British Columbia, Alberta, Saskatchewan and Manitoba. And we have not received even a little word of thankfulness. How can hon. gentlemen of the extreme left, Mr. Speaker, whose sincerity I admit, vote with the Liberals when we are to-day taking the necessary steps to put on the statute books of Canada measures of social reform such as unemployment insurance, the eight hour day, the forty-eight hour week, the minimum wage and all the other measures of reform which are to come and which will tend to protect the consumer, to protect the workmen in the lumbering and logging industries, to protect the fishermen, to destroy monopolies and cartels, and to give relief to the poor shopkeepers whose efforts are being frustrated by the excesses of the chain stores all over Canada?

Now that I have expressed my bewilderment with respect to the attitude of our hon. friends to the extreme left, let us for a moment examine the situation created by our Liberal friends from Quebec. We had yesterday one of the greatest surprises of our life when we heard the new standard bearer who has been entrusted by the gods with the task of salvaging the Liberal party, this new standard bearer selected out of all the disgruntled warriors who had been deprived of the spoils of office—the hon. member for St. James (Mr. Rinfret). We were amazed to hear him complain of the attitude of the government. We were very much surprised that of all hon. gentlemen opposite he should have the audacity to blame the government, he who had been mayor of Canada's greatest city during two years of depression, the records of whose administration were full of slackness and incompetence and are shrieking with scandal. How can he have the audacity to speak of a so-called policy of excavations in the city of Montreal when the biggest gap that existed in that city, the biggest excavation which has been dug by the extravagances of the Liberal party, is the gap in the Montreal finances and the huge deficit which obliged Mayor Houde to work day and night to devise measures for restoring the prosperity of the city?

Yesterday, Mr. Speaker, what did we hear? We heard our genial friend from Vegreville (Mr. Luchkovich) whose sense of humour we admire very much. He said in his Tweedledum and Tweedledee criticism of both parties that conscription is a dead issue. I am very sorry to disagree with my hon. friend on that subject. If he had followed what has taken place in the province of Quebec since 1930 he would realize that conscription is not at all a dead issue. If my hon. friend from Vegreville would read La Presse of Montreal of August 7, 1931, he would read reports of speeches made in the constituency of Three Rivers by the former Secretary of State (Mr. Rinfret) and the former Minister of Justice (Mr. Lapointe). What did the former Secretary of State say in Three Rivers during that election campaign, in explaining what was meant by the words "peace, order and good government"? He stated to the crowd that these words meant that the Prime Minister wanted to impose that bill on parliament in order to revive conscription.

Some hon. MEMBERS: Shame!

Mr. RINFRET: Mr. Speaker, I rise to a question of privilege. I do not know from what source the present speaker is quoting, but I deny having pronounced one single word that can be construed as meaning what he has just stated.

Mr. GAGNON: The hon. member said the same thing in other words. According to the rules of the house I am obliged to accept what the hon. gentleman says, but may I suggest to him that he read La Presse of August 7, 1931, and he will read what I have stated.

Mr. GOBEIL: He did not deny it then.

Mr. GAGNON: I gave the exact quotation in this chamber on March 15, 1932, before hon. gentlemen opposite. Those words have never been denied, and the hon. member for St. James has never stood up in his place and asked that Hansard be corrected.

Mr. GOBEIL: He does not deny it now.

Mr. GAGNON: We know very well what will take place at the next election. Not only will the conscription issue be revived but we shall hear a new revival of the constitutional issue. We shall hear again the cry of conscription, and we Conservative members will be slandered and attacked and represented to the people as the wreckers of the constitution, while the Liberal party will pose as the champions of the rights of the provinces and the protectors of the constitution. Let us study for a moment what took place just a fortnight ago when the government was bringing in the unemployment insurance measure. What did

we hear? We heard the former Minister of Justice ridicule that measure, calling it a sop to the discontented. He closed his speech with a violent attack on the government, comparing the ministers to a lynching mob. These are the compliments we receive from hon. gentlemen opposite for enacting the very measures that they proposed in 1919 but had not the courage to put on the statute books when they assumed power. If it is true that such measures as those providing for social insurance, the eight hour day, the forty-eight hour week are ultra vires of the dominion parliament; if it is true that they are unconstitutional; if it is true that the enactment of such measures by the federal parliament would be destroying the rights of the provinces, why are hon. gentlemen opposite voting for them? If it is true that these measures are unconstitutional, why do my hon. friends disregard those so-called sacred rights? Why are they forsaking them? It is amazing to see hon. gentlemen opposite descending so low that in order to get power they will vote for measures which they believe to be unconstitutional and unworthy of statesmen and patriots.

Let me for the moment refer to what has taken place in our province since 1930. In that year Premier Taschereau in the legislative assembly passed an act, chapter 14 of 20 George V, revised statutes of Quebec, to create a commission to be called the Quebec social insurance commission. I hold in my hand a report of the Quebec social insurance commission which was composed of some of the most eminent and illustrious citizens of that province. Let me give their names. The chairman of the commission is Edouard Mortpetit, K.C., doctor of laws of Laval, who received the diploma of political science from the Sorbonne, Paris, and who is an officer of the Legion of Honour. The members of the commission are the Right Reverend Georges Courchesne, Bishop of Saint-Germain-de-Rimouski, emeritus professor in the Faculty of Arts of Laval university; the Venerable Frederick George Scott, Archdeacon of Quebec and rector of St. Matthew's Church, Quebec; John T. Foster, president of the trades and labour council of Montreal and member of the Labour Congress of Canada; Gérard Tremblay, deputy minister of labour for the province of Quebec, and late secretary-general of the National Catholic Labour Unions; Alphonse Lessard, M.D., provincial director of charities and of the bureau of health; and Georges-Arthur Savoy, president of the Dominion Blank Book Company, St. Johns, Quebec.

These gentlemen were entrusted by the Quebec legislature with the task of studying all problems pertaining to social insurance. I shall quote the terms of the order in council passed by the government at Quebec:

To make as complete a survey as possible of the following questions and of the manner in which the problems which they entail may be regulated in the province of Quebec: Old age insurance; unemployment insurance; sickness insurance; disability insurance; aid to needy mothers; family placements; manner of adoption and placement of adopted children; assistance to large families; sanitary conditions of factories and of the workers in these factories; occupational illnesses; medical inspection of workmen employed in dangerous tasks; medical attention in the work shops; sanitary education of the working men; and all other problems of social insurance.

These gentlemen visited all the provinces in Canada, and went abroad. They studied the social insurance schemes in England, France, Germany and almost all countries in Europe. They delivered various reports, and the sixth report dealing with unemployment insurance was filed with the Quebec government in the last days of December, 1932.

Now, what took place just ten days after that? In the beginning of January, 1933 a great banquet was held in the city of Quebec. This was a banquet tendered by the Liberals to the right hon. leader of the opposition (Mr. Mackenzie King) and to the former Minister of Justice (Mr. Lapointe). There, Mr. Speaker, in order to revive the failing courage of the Liberals, and because at this very banquet my former opponent in Dorchester. the former Solicitor General, had the courage to blame the Liberals for their lack of policy, the former Minister of Justice stood in his place and praised the great report which had been produced by the Quebec social insurance commission. I have before me a quotation from Le Soleil of Quebec, the issue of January 15, 1933. My translation of the report contained therein concerning the observations of the hon. member for Quebec East is as follows:

Let me congratulate now the government of the province of Quebec for the work of the social insurance commission which they have instituted, and for the report which has just been made public. It is a Liberal document. Many suggestions are therein made which I have heard called socialistic theories. I am happy now to be in the company of Bishop Courchesne and Doctor Montpetit. That report does honour to our province, and Liberals ought to study it and work to bring about the application of the illuminating principles which it contains.

As I have said, that speech was made on January 15, 1933, by the former Minister of Justice and in the name of the Liberal party.

In his speech he proclaimed the report of the commission to be a Liberal document. Let us see the conclusions to which the commission came, respecting social insurance. Did the commission state that social insurance against unemployment ought to be instituted by the provinces? Did the commissioners make any observations against the so-called attempt of the dominion to wreck the rights of the provinces by setting afoot a scheme of insurance against unemployment? No. At page 203 of the report the commission said:

> Is it possible to establish unemployment insurance on a provincial basis in a federated state such as Canada? The answer is in the affirmative, for the example of Queensland, Australia, and of certain Swiss cantons prove the possibility. However ordinary prudence suggests that unemployment insurance should be federal in character. It is very advisable to spread the social responsibilities over the whole country, for otherwise, the provinces which participate find themselves in a condition of inferiority with respect to the non-participants. It must not be forgotten that the expenses involved in social legislation should be incorporated in the net cost of production. If certain provinces do not enjoy the benefits of tariff protection, the industrialists of those provinces must of necessity aim at an equality in social obligations if they do not desire to embark on a policy of rivalry which is not only impossible to maintain, but is unfair.

The commission quoted the opinion of the railway workers of Canada who stated that there was no other conclusion to come to but that of providing a federal scheme of unemployment insurance. Do we see the flagrancy of the contradictions of the former Minister of Justice when on January 15, 1933, he proclaimed as a Liberal document this report which recommended a federal scheme of unemployment insurance? Yet only a few days ago in this very chamber he blamed the government, and compared the ministers to a lynching mob because they have sought to effect the precise proposals and recommendations of the Quebec social insurance commission.

What did the Liberal party in Quebec do in order to set afoot the recommendations of the commission? The commission, whose report I have before me, recommended that the Quebec government should adopt a federal system of old age pensions. They recommended, further, that the provinces should cooperate with the federal government in order to bring about the necessary measures of reform to which the Liberal party had pledged itself at the convention of 1919. What was done by Liberals? Nothing,—nothing has been done.

When in the month of March 1933 we were fighting in this chamber to obtain from the House of Commons the power to take the necessary steps to relieve unemployment, what position was taken in the province of Quebec? What did the former Minister of Justice say in the city of Quebec on March 28, 1933? I have before me L'Evenement of Quebec, a publication sympathetic to the former Minister of Justice. It indicates that he at that time compared Mr. Bennett to Hitler, a man who in some countries has been called a gangster and a murderer. That will give some idea of the way hon. gentlemen opposite discuss political questions in Quebec.

Would hon. members like to have some idea of the way hon. gentlemen opposite are trying to bring about unity among the Canadian people? Let us see what he said on March 28, 1933, when he was speaking against the payment of moneys which this government has voted in order to help the provinces of Saskatchewan, Manitoba and Alberta. Here is what he said:

> Shall we take the money of the province of Quebec to maintain Mr. Anderson in power? Is it not too much of a sardonic irony?

That is the way hon. gentlemen opposite are trying to effect unity among the Canadian people and bring about a closer understanding between the races in Canada. Speaking at Trois Pistoles on July 17, 1933, the former Minister of Justice reiterated the same principles. He condemned the government, and described as an international comedy the London conference which was being held at the time, and at which our Prime Minister was taking a worthy stand, one which received the general approval of statesmen throughout the world. The hon. gentleman proclaimed himself a champion of reforms and said "I am not going to the right. I am not going to the left. I am going forward."

Some hon. MEMBERS: Hear, hear.

Mr. GAGNON: I am pleased to hear hon. gentlemen opposite applaud that statement, Mr. Speaker, but it is surprising that these gentlemen who claim to go forward should take every opportunity to block our legislation and denounce it as being unconstitutional and ultra vires and so on.

This is not all, Mr. Speaker; this little story has many chapters which are very interesting to the people of Quebec and the people of Canada at large. What has taken place in the province of Quebec? Not only have we seen the Conservative opposition in that province call for reforms which will tend

to promote the welfare of all classes, but we have seen a secession in the Liberal ranks; we have a new wing of the Liberal party in Quebec headed by Mr. Paul Gouin, the son of the former Minister of Justice, and supported by a distinguished member of this house, the hon. member for Beauce (Mr. Lacroix). This Liberal wing, which is growing stronger and stronger every day, is calling for reforms also, and is asking that the province of Quebec set its seal of approval on the reforms we are putting on the statute books. What is the hon. member for Quebec East (Mr. Lapointe) doing, he who calls himself the man who goes forward? He does not do anything, as he did nothing when he was in power from 1921 to 1930. While the hon. member for Beauce, Mr. Paul Gouin and others are denouncing Mr. Taschereau and the terrible dictatorship which is enslaving the province of Quebec, through you, Mr. Speaker, I ask the hon. member for Quebec East to tell the people of Canada and particularly the people of Quebec whether he is for Taschereau and against Gouin and Lacroix or for Lacroix and Gouin and against Taschereau with regard to social legislation.

We Conservatives are not afraid to speak about our constitution, because we have preserved and maintained the confederation pact. It is strange, when the Conservative party is bringing about reforms which are demanded by public opinion throughout Canada, to find that the Liberal party stands up and says: "Stop; you are going to encroach on the rights of the provinces." Then we hear Senator Lemieux and Senator Dandurand say in the Senate. "We must respect the covenant; this is a sacred pact. You must not touch it: it is a wonderful work." In other circumstances, when a racial issue arises we hear the same gentlemen say that the fathers of confederation, because they were Conservatives, did not take the necessary steps to protect the minorities in Canada. These are the flagrant contradictions we find in the Liberal party. Even now we hear the hon. member for Gloucester (Mr. Veniot) attack the fathers of confederation in the maritime provinces, while on the other hand the leader of the Liberal party in the Senate and Senator Lemieux pose as champions of the constitution. I for one would be very much afraid to touch the sections of the confederation pact which deal with the rights of minorities, because those rights are sacred to my race. The Conservatives have always maintained the constitution, and we are going to preserve intact the rights of minorities in Canada.

I respectfully submit, Mr. Speaker, that it is very dangerous to make constitutional issues of purely economic problems. You cannot ignore the overwhelming trend of public opinion throughout Canada at the present time which calls for social reforms. Is there a financier, a statesman, an economist or an ordinary layman endowed with common sense who will pretend that if we enact a social insurance scheme we are endangering the constitution or encroaching on the rights of the provinces? Why, we are protecting the exchequer of the provinces, because we are assuming the whole of that social legislation cost which is denounced by hon. gentlemen opposite as being too great. Why should the provinces complain if we establish a social insurance policy which will not cost the provinces anything? Why should the provinces object if we assume the whole cost of old age pensions; why should the provinces object if we relieve unemployment by establishing the eight hour day and forty-eight hour week, establish minimum wages and take the necessary steps to curb and destroy the monopolies and mergers which took place during the Liberal regime from 1921 to 1930? Hon. gentlemen opposite ought to be afraid to invite these party quibbles and this political strife in this way, because the consumers of Canada have suffered too much since confederation through some useless and fruitless battles which have been waged between the provinces and the dominion. Take for instance the fisheries case which was discussed the other day in the committee on the British North America Act by the hon. member for Gloucester and myself. That litigation began in 1882 and did not come to an end until 1919 or thereabouts. The situation has been made worse, because the maritime fisheries of Quebec have been illegally and unconstitutionally transferred to the province of Quebec, though the maritime fisheries in great part belong to the crown in the right of the dominion. At the present time we have legislation which is going to save agriculture; I refer to the Farmers' Creditors Arrangement Act. Do we see that legislation attacked in Ontario, in the maritimes or in western Canada? No; we see it attacked on constitutional grounds only in the province of Quebec, and the person attacking it there is encouraged by the Liberal party of that province. That is not all, Mr. Speaker. On the 23rd of March there will be a banquet at Quebec city to commemorate the great legal battles which have been waged between the provinces and the dominion since 1867. I hope the gentlemen who attend that

banquet will not forget the loss of Labrador and the loss of that part of our national heritage.

I believe I have only one minute of my time remaining, Mr. Speaker, and in that minute I should like to recall the stirring appeal made to hon. members of this house last year by the hon. member for Labelle (Mr. Bourassa) whom I should like to see returned by acclamation at the next election. The hon. gentleman urged political parties to forget party strife and to cooperate in order to bring about necessary measures of reform. I should like to urge hon. gentlemen opposite to read what he said, and may I express the hope that some George Brown will arise on the other side and help the government in order to cooperate in bringing about social justice and the dawn of a new era of happiness and prosperity.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I am sure the viewpoint of this corner of the house has been put forward often enough in this debate. I believe four members out of a possible fifteen have taken part in this discussion, and if it were not for the fact that the viewpoint put forward by all four is quite contrary to my opinion I should not have taken any part in this discussion. All of those who have preceded me from this corner have stated very definitely that they are going to support the amendment. I am forced to state just as definitely that I am going to oppose the amendment, and therefore I feel like giving in a few minutes a few reasons why I propose to do so.

The motion before the house has been moved by the Minister of Finance (Mr. Rhodes) to the effect that the house go into committee of supply, and the matter which we are now debating is an amendment thereto proposed by the hon. member for Vancouver Centre (Mr. Mackenzie). I shall not read the amendment because all who are in the chamber are acquainted with its contents.

Since I came to this house a number of years ago I have felt non-partisan, and I still do. As an independent member I have felt obliged to decide which of the major parties I should support in this house, and I think that is true of all the independent members here. For some nine years we supported a Liberal government, and for the past five years we have been supporting the present government. At the present time it is incumbent upon us to decide whether we shall support this amendment or not.

I have been led to ask myself what would be the effect of this amendment if it were carried, and I credit the hon. member who moved it with sincerity enough to wish to see it carried. I think he put it forward in the hope that it would be accepted by the house. Now if it is carried by a majority vote and accepted by the house, what would be the effect of that? The effect of that would be the immediate resignation of the government. I think that goes without saying. The government would not dare to carry on any longer should this amendment be carried.

That opens up another avenue of thought. If the government should forthwith resign we have quite a pretentious legislative program before us which would also go by the board. We have, for instance, Bill No. 8, which is now in the committee stage. It has received its first and second readings, and by the way on second reading it was supported unanimously by a vote of 101 to nothing. All parties in all parts of the house supported the principle of unemployment insurance. But if the amendment now before the house should be carried, it would mean that the unemployment insurance measure would have to be dropped. It is in the committee stage now and it would stay there. It would become null and void, a dead issue. I doubt if the members in this corner of the house are prepared to go that far and say that they want that measure dispensed with entirely. It is true that some here are not in unanimous accord with some of the provisions of the bill, yet I think from the vote that was taken on the second reading we are all in favour of adopting an unemployment insurance measure in the hope that in the future it will be of some benefit to this country. Well, that measure would lapse if this amendment should carry.

We have also on the order paper Bill No. 15. It too is in the committee stage. It makes certain amendments to the Canadian Farm Loan Act. I am quite satisfied from having listened to the debate in this chamber on these amendments that there is perhaps not a member in this house who is opposed to them. They propose to increase the money available for agricultural purposes from $40,000,000 to $90,000,000, but should this amendment carry it means that these amendments to the farm loan act would be done away with, that that increased amount provided by the bill for taking care of farmers' debts would not be available. There is another point that I fear the members in this corner of the house are

overlooking. We represent agricultural constituencies in this corner as well as other sections of the house, and I am sure we are quite anxious to see that $90,000,000 made available during this session for use under the Farmers' Creditors Arrangement Act Here is one member who wants to see that money put where it will be available for the farmers who are trying to refund their debts at a lower rate of interest. But if we carry the amendment which is now before us there is no possibility of that money being made available during this session.

We have some other measures on the order paper. There is Bill No. 21 calling for the implementing of the eight hour day and the forty-eight hour week. Personally I would not shed any tears if that were to fall, because the voters I represent—and they are real labour people and I am a real labour representative—do not quibble at working eight hours a day or forty-eight hours a week. They are practically all farmers, and I think perhaps most of them sleep about eight hours and work the rest of the day. So as far as that measure goes it would not affect agriculturists very much, but I am surprised that the labour members have endorsed this amendment with the possible ultimate objective of defeating this eight hour day and forty-eight hour week.

There is also Bill No. 22 for a weekly day of rest in industrial undertakings. These latter two bills I have mentioned have just received their first reading. If the amendment before the house carries, these two bills are dispensed with and there is no possibility of their being carried this session.

There is one other point that is more important than any of those I have mentioned, and that is that the report of the price spreads and mass buying commission has not yet been presented to the house, and of course the legislation to be based on that report is not yet before the house. Now if there is any measure that the people of Canada are looking forward to hopefully it is the legislation that is to be based on the report of the price spreads and mass buying commission; but if we adopt this amendment it means that such a report cannot be made and that legislation based upon it will not be brought forward this session. That is thrown into the scrap heap so far as this session is concerned.

If that is what the amendment means, the dispensing of all these measures because of the resignation of the government, then what would be the result of the election that would immediately follow? That is another question that I have been led to ask myself—what would be the likely effect of an election? Well, it is possible that there might be a change of government; it is just barely possible. I would not state that as any prophecy. I know that some of our Liberal friends are quite optimistic and hopeful. Probably the wish is father to the thought that there will be a change of government, and there may be; I am not prepared to say. I have endeavoured in the past to prophesy in regard to political matters, and usually I have prophesied wrong, so I would not like to make any prophecy now as to whether or not there would be a change of government. But suppose there would be a change; what has been offered to us by the official opposition, which we are agreed would then be the government of the day? What is offered to us by this party known as the official opposition, the Liberal party of Canada? I was amused and surprised last night, listening to the hon. member for Vegreville (Mr. Luchkovich) lining up the Liberal party and scoring them most unmercifully because they had nothing to offer, and yet he ended by saying that he was going to vote for the amendment which would have the effect of putting out the present government and putting in its place those who, he said, had nothing to offer. I could not just travel with him all the way along the road. It became rather tortuous and I could not follow him.

Of course, we have also had some beneficial legislation passed in this house in previous sessions. In the last session the Natural Products Marketing Act was passed. I wonder what attitude the Liberal party would take towards that measure if they should be endorsed by the electorate and returned to power. If the hon. member for St. James (Mr. Rinfret) will just stand hearing a little quotation read I am sure it will throw some light on what at least his attitude is. The hon. member spoke at St. Johns, Quebec on October 14 last and is reported as follows:

> Added to its other planks, the Liberal party stood at present for abolition of the marketing board—"the greatest piece of high protectionist legislation yet executed in Canada"—Mr. Rinfret declared.

I presume that is correct; it is given by the Canadian Press and published by a good Liberal newspaper in the west. I do not know whether that represents the official attitude of the Liberal party, but that at least is the hon. gentleman's personal attitude. He who has been a member of a Liberal government says that one of its "other planks" is the abolition of the marketing board.

An hon. MEMBER: Who says that?

Mr. CARMICHAEL: One of your good front benchers made that statement and he does not deny it, so I presume it is correct. Well, that means that the facilities afforded the primary producers for organizing under that act are to be done away with. It means that the many thousands—

Mr. RINFRET: I was not aware that the hon. gentleman had mentioned my name. I may say that the report is not quite correct.

Some hon. MEMBERS: Oh, oh.

Mr. RINFRET: What I have advocated is the deletion of certain sections of the marketing act, and amongst them that section concerning importations—the licensing of the right to import. But I never did advocate the complete repudiation of the marketing bill.

Mr. CARMICHAEL: It would be interesting to know how many effective sections would be left after the act had been culled to suit the hon. gentleman. But that is not all. We have had in this chamber a good deal of discussion relating to the British North America Act, which is perhaps the cornerstone of our Canadian constitution. Now, the same hon. member speaking at the same place and at the same time said:

> Proposed amendments to the British North America Act would be fought tooth and nail by the Liberals, Hon. Fernand Rinfret, former Secretary of State and ex-mayor of Montreal, told a political rally of Liberals here to-day.

We have now a committee dealing with that act to bring in possible ways and means of amending it so that we can, at times necessary, amend our own constitution. But if this is to represent the official attitude of the Liberals they are going to fight it tooth and nail.

Mr. RINFRET: This is evidently my afternoon. I made many speeches in regard to this question and one only recently, and the stand which I take, and which those in the province of Quebec take—

Some hon. MEMBERS: Order.

Mr. RINFRET: I am making an explanation.

Mr. SPEAKER: The hon. member will confine his explanation to the statement made by the hon. member for Kindersley (Mr. Carmichael).

Mr. RINFRET: I will make it a question of privilege.

Mr. SPEAKER: Does the hon. gentleman rise to correct a statement made by the hon. member for Kindersley?

[Mr. Carmichael.]

Mr. RINFRET: Yes; that is my purpose. I say that the stand I take on this matter is that no amendment should be made except with the unanimous consent of the provinces, but not that we are against any amendments. That is different.

An hon. MEMBER: One story for Quebec and another for here.

Mr. CARMICHAEL: I am not interested in what the hon. gentleman's stand is now; I am quoting what his stand was then.

Mr. RINFRET: I protest against that. The stand I take—

Some hon. MEMBERS: Order.

Mr. RINFRET: —is as I have just stated.

Mr. SPEAKER: What does the hon. gentleman say? Does he wish to make a statement with regard to the quotation?

Mr. RINFRET: A moment ago I was not allowed to, and now I am asked whether I wish to make a statement. With all deference to the chair, I have made my statement and I will ask the hon. gentleman to accept it.

Mr. CARMICHAEL: Of course I do.

Mr. RINFRET: I am not against amendments to the British North America Act but I say that we cannot have them except by unanimous consent of the provinces. That has been my statement right along

Mr. CARMICHAEL: I am glad that the hon. member is progressing and revising his views.

Mr. TOTZKE: That is not accepting his statement.

Mr. CARMICHAEL: Yes, I am accepting it.

Mr. TOTZKE: But you qualify it.

Mr. CARMICHAEL: The natural result of the tearing up of the Natural Products Marketing Act—and I am forced to conclude, from the attitude of the Liberal party when the act was before us, that they are not friendly to it—would be that our marketing scheme, which was voted on last week in the three prairie provinces would go by the board, and all the facilities afforded the primary producers would be dispensed with. But there is another point I would touch upon. In 1932, I believe, we passed here what became known as the Ottawa trade agreements. I fear to come to the conclusion, but I am almost forced to it, that the Liberal party are in duty bound to scrap these Ottawa trade agreements. Oh, I know they mean to scrap certain parts of them; but if certain

parts of the agreements are scrapped at this end it means that the agreements fall down, because there are two parties to them and no change can be made at this end unless the other party at the other end is agreeable to such change. It follows therefore that if certain changes are made here the agreements will fall by the way, and become obsolete. Now, we had a Farmers' Creditors Arrangement Act passed last session, and I am not sure of the attitude of the Liberal party towards that. Like the hon. member for St. James, they may have a change of heart either now or before they come into power, and they may not scrap it because it is a very popular piece of legislation in the prairies. But you cannot guarantee that they would not do away with that either. Unfortunately, as has been pointed out from this corner, no definite pronouncement has been made by the leader of the Liberal party. He who, according to their ideas and ambitions and hopes, is not very far removed from being Prime Minister of Canada, has made no pronouncement as to what that party proposes to do. His nine years of experience as Prime Minister and the past five years as leader of the opposition have made him discreetly wise and he is not saying anything.

The hon. member for Vancouver Centre (Mr. Mackenzie) has moved an amendment and he has stated very definitely what "I" propose to do. He says: "What I advocate, and I am giving my personal views only, not necessarily the views of any party or group," and he proceeds to give us twelve points. Probably they have some virtue in them, but they are the individual views of one member and do not necessarily represent the opinions of the Liberal party. So that there we are faced with the alternative of putting into power a party that has told us nothing of what it is going to do—and we know a number of things they will do which will not be beneficial. A lot of legislation that has been passed, and a good deal more that is in the act of being passed, will be prejudiced considerably by a change of government; and yet we have before us from the Liberal party nothing official on which we can base our hopes if we support this amendment to put out the party now governing and put in the party now in opposition. The burden of the official opposition is just to put Bennett out; and the burden of the Liberal press across Canada is, "Just put the Conservatives out and let the Liberals in." That is not a very good reason for voting for the amendment now before the house.

There is considerable virtue in the amendment and I am not finding any fault for its being brought to the attention of the house. Its main thought is unemployment and its remedy. I doubt if I will take the time now to go into the question of unemployment to any extent except to say that I consider it worthy of being debated and I presume at some future time the house will be afforded an opportunity of discussing the question and suggesting remedies. But I do hold the view, contrary of course to that of some hon. gentlemen in this corner, that the only possible permanent solution for our unemployment problem is to get a more evenly balanced adjustment as between urban and rural populations. For the past two generations we have been educating our boys and girls away from the land which is, I was going to say their heaven-intended place to live, that is on the land, in touch with nature, working and getting their living to a large extent from the soil. For the past two generations we have been educating our people along a line that has induced them to move into the industrial centres, to enter into industrial, business and professional life and away from agricultural life. It seems to me that we must return to the basic principle of getting our population back where it belongs, namely on the land.

While many commissions have been appointed, many investigations held and even some books written, I believe the most sensible thing for us to do in connection with this unemployment question would be to appoint a dominion land settlement commission that would have authority to make a survey in conjunction with the provinces and the smaller municipalities with a view to getting the good land lined up that would be available without cost to our boys, young men and families who are agriculturally inclined. I know in my province there is plenty of land held in some instances by the provincial government; in every township sections 11 and 29 are school lands; many of these sections have not yet been sold and some that have been sold have reverted to the crown, also in our municipalities there are scores of quarter sections that have been taken over in recent years under tax sale proceedings. Such lands might be made available without charge to those who are agriculturally inclined and under a properly set up and efficiently working commission boys, young men and families who are agriculturally inclined might thus be placed on such lands and assisted for from three to five

years as suggested here a few days ago by the hon. member for North Timiskaming (Mr. Bradette).

Not only might such lands be made available for such purposes, but in our country there are other young boys who would be glad to turn their attention to agricultural pursuits if they knew how to carry on. I remember last year the suggestion was made to the Minister of Labour (Mr. Gordon) that instead of bringing in British boys and giving them training in preparation for going on to the land, he should expend the same amount or more money to train our own Canadian boys, give them a year or two of training in agricultural pursuits and get them ready for going out and taking over land of their own. At that time I think the hon. member for West Edmonton (Mr. Stewart) and in this corner the hon. member for Macleod (Mr. Coote) could scarcely find language severe enough to castigate such a proposal. I still believe the only possible permanent solution of the unemployment question is to get our boys and girls and our men and women back on the land, not with an overhead of debt; they should be placed there without any debt so far as capital is concerned and they should be assisted by the dominion and provincial governments so as to give them a start that they may become self sustaining.

I have heard from this corner severe criticism of the government for the small amounts they are providing for the support of life in our urban centres. I can cite to the house the actual figure of what it takes to keep one family I know of near my own home town. There are the father, the mother and four children who are living on a farm. They live well; they dress well; they have not a low standard of living. The mother is a university graduate, having obtained her B.A. degree at Toronto university. They say that for $4 a week they are able to live on the land; that is, they spend just $4 a week to supplement what they are able to grow on the land. That means $200 a year for a family of six. Is that not much better than the amount of money we are paying out in our urban centres where we have to provide the people on relief with all the necessities of life? Would it not be better if these people were out on the land gaining from it a large proportion of their own living and working for it? When this measure is before us so that we may have an opportunity of suggesting remedies for the relief of unemployment, I shall have something more to say. At the present time I reiterate what I said at first: my view is that the carrying of the amendment would not be helpful to the country; it would not be beneficial to the people I represent, and therefore I purpose voting against it.

[Mr. Carmichael.]

The house divided on the amendment (Mr. Mackenzie, Vancouver), which was negatived on the following division:

YEAS

Messrs:

Ahearn
Bertrand
Blair
Bothwell
Boucher
Bradette
Brasset
Brown
Campbell
Cardin
Casgrain
Chevrier
Coote
Deslauriers
Desrochers
Donnelly
Dumaine
Dupuis
Euler
Fafard
Ferland
Fontaine
Fournier
Fraser (Northumberland, O.)
Garland (Bow River)
Gershaw
Golding
Hall
Hanbury
Hanson (Skeena)
Heaps
Howard
Howden
Hurtubise
Jean
Luchkovich
MacLean
MacMillan (Mackenzie)
Macphail, Miss
McKenzie (Assiniboia)
McKinnon
McPhee
Marcil
Mercier (Laurier-Outremont)
Mercier (St. Henri)
Michaud
Mills
Motherwell
Mulock
Munn
Neill
Parent
Perras
Pouliot
Reid
Rennie
Rhéaume
Rinfret
Roberge
St-Père
Séguin
Spencer
Taylor
Thauvette
Totzke
Vallance
Veniot
Weir (Macdonald)
Woodsworth—69.

NAYS

Messrs:

Anderson (Toronto-High Park)
Arsenault
Arthurs
Baker
Barber
Barrette
Beaubier
Belec
Bell (Hamilton West)
Beynon
Bourgeois
Bowen
Boyes
Bury
Cahan
Cantley
Carmichael
Casselman
Chaplin
Charters
Church
Cotnam
Davies
Dickie
Duguay
Dupré
Duranleau
Embury
Ernst
Esling
Fortin
Fraser (Cariboo)
Ganong
Geary
Gobeil
Hackett
Hanson (York-Sunbury)
Hay

Johnstone
Jones
Larue
Laurin
Macdougall
MacNicol
McDade
McGillis
McGregor
McLure
Manion
Morand
Mullins
Myers
Peck
Perley (Qu'Appelle)
Perley, Sir George
Pickel
Plunkett
Porteous
Price
Quinn
Robinson
Ross
Ryerson
Sauvé
Shaver
Short
Simpson
(Simcoe North)
Simpson
(Algoma West)
Smith
(Victoria-Carleton)
Smoke
Spence
Spotton
Sproule
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sullivan
Sutherland
Tétreault
Thompson
(Simcoe East)
Thompson (Lanark)
Tummon
Turnbull
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Wilson
Wright—93.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Halton) — Factor
Baribeau — Beaubien
Bell (St. Antoine) — Raymond
Bell (St. John) — Dubois
Bennett — King
Burns — Butcher
Cowan — Isley
Dorion — Verville
Edwards — Elliott
Gagnon — Boulanger
Garland (Carleton) — Goulet
Gordon — Fiset, Sir Eugène
Gott — Rutherford
Guthrie — Lapointe
Harris — Jacobs
Kennedy (Winnipeg) — McIntosh
Laflèche — Girouard
Lawson — Gray
MacDonald (Cape Breton South) — Urquhart
Macdonald (Kings) — MacInnis
MacMillan (Saskatoon) — Mackenzie (Vancouver)
McGibbon — Power
Maloney — Young
Matthews — Moore (Ontario)
Moore (Châteauguay-Huntingdon) — Dubuc
Murphy — Stewart (Edmonton)
Pettit — Bouchard
Rhodes — Ralston
Rowe — Lacroix
Senn — Sanderson
Smith (Cumberland) — Duff
Stevens — Malcolm
Loucks — Gardiner
Stanley — Irvine
Swanston — Speakman.

[Mr. Carmichael.]

Mr. MACKENZIE KING: I was paired with the right hon. the Prime Minister (Mr. Bennett). Had I voted, I would have voted for the amendment.

Mr. STEWART (Edmonton): I was paired with the hon. the Minister of the Interior (Mr. Murphy). Had I voted, I would have voted for the amendment.

Mr. LAPOINTE: I was paired with the hon. the Minister of Justice (Mr. Guthrie). Had I voted, I would have voted for the amendment.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted, I would have voted for the amendment.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted for the amendment.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted for the amendment.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted, I would have voted for the amendment.

Sir EUGENE FISET: I was paired with the hon. the Minister of Labour (Mr. Gordon). Had I voted, I would have voted for the amendment.

Mr. IRVINE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted, I would have voted for the amendment.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr Burns). Had I voted, I would have voted for the amendment.

Mr. MacINNIS: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted, I would have voted for the amendment.

Mr. GOTT: I was paired with the hon. member for Kent, Ont. (Mr. Rutherford). Had I voted, I would have voted against the amendment.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted, I would have voted against the amendment.

Mr. COWAN: I was paired with the hon. member for Hants-Kings (Mr. Ilsley). Had I voted, I would have voted against the amendment.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted against the amendment.

Mr. DUBOIS (Translation): I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted, I would have voted for the amendment.

Mr. LACROIX (Translation): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted I would have voted for the amendment.

Mr. GIROUARD (Translation): I was paired with the hon. member for Richmond-Wolfe (Mr. Lafleche). Had I voted I would have voted for the amendment.

Mr. GAGNON (Translation): I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted I would have voted against the amendment.

Mr. DORION (Translation): I was paired with the hon. member for Lotbiniere (Mr. Verville). Had I voted I would have voted against the amendment.

(Owing to the impossibility of recording several statements of pairs simultaneously announced, the list of stated pairs may be incomplete).

Motion—(Mr. Rhodes)—agreed to and the house went into committee of supply, Mr. Gagnon in the chair.

DEPARTMENT OF TRADE AND COMMERCE

Salaries, $545,724.

Mr. POULIOT: I take this first opportunity to congratulate the Minister of Trade and Commerce (Mr. Hanson). With reference to that hon. gentleman may I repeat what I said about his colleague the Minister of Finance, that I am sure he is abler than the Prime Minister, because he answers the questions that one puts to him. It is a great credit to him, and for that reason I congratulate him very heartily.

We have heard a great deal about unemployment in the last few days. The reason for unemployment is the decrease in trade, and we have a decrease in trade because tariffs have been increased. The minister is an able man; he has been sworn in as minister because of his ability. If he takes the trouble to go through the records of his department he will see that the number of unemployed has more than doubled and trebled since the tariff was increased by his leaders. Unemployment is the child of high tariffs. For this reason I urge on the hon. gentleman the same recommendation I made to his colleague the Minister of Finance. Let him steal a stick of dynamite from the office of the Prime Minister—the stick that was not used to blast our way into the markets of the world—and let him blast the high tariff walls. When we look over the statistics of the Department of Trade and Commerce we are sorry to see the great decrease in trade, even following the Ottawa imperial conference of 1932. The minister knows very well—and he may answer me if he desires to do so—that our trade with the British empire last year was $29,000,000 less than it was during the last twelve months the Mackenzie King government was in power. Our domestic exports to the United Kingdom in the twelve months ending August 31, 1934, were $35,000 more than they were for the same period in 1930. I admit that. I admit that these figures are correct if you consider only domestic exports, but if you consider at the same time Canadian exports of foreign products it will be seen that our exports to the United Kingdom each year this government have been in power were less than they were in the last year the Mackenzie King government were in power.

Mr. HANSON (York-Sunbury): Would the hon. gentleman allow me to interrupt him? It is not the intention to proceed further with this item at this time, and I would ask if he would be good enough to interrupt his speech now and continue it at a later date so that I might ask the committee to defer consideration of this item, which will be gone into in the ordinary way, so that another department may be brought in.

Mr. POULIOT: I will agree to any request the hon. gentleman makes in his own behalf, because when I wrote him he was very polite and courteous to me, but I strongly object to any other department being brought in for a subsidy to-day. I object to the estimates of any other department being considered, but the hon. gentleman is a new minister, and I am ready with an open heart to do anything he asks for himself. I do not know what other minister he has in mind, however, and I have my fears. I hope the hon. gentleman will not say that I am discourteous to him. I am willing to cooperate to the fullest extent so long as I know with whom I am dealing. I am dealing with the Minister of Trade and Commerce now. He knows that all the propaganda that has been published in the press with regard to the benefits of the imperial agreements is bluff and humbug, which has been published in order to satisfy the advertisers. The truth is entirely different.

Now, sir, to sum up, when the estimates

come up again it will be impossible for the hon. gentleman to deny what I am going to say, because I took the trouble to go through all the figures. Our imports from the United Kingdom are millions of dollars less than they were in 1930 and our exports to the United Kingdom—if we include the exports of foreign goods—are also less than they were in that year, though they are a little more than they were in 1932. May I say also to the hon. gentleman that the Canadian-British empire trade was $29,000,000 less. I will leave it to the minister to answer my statement. If he wishes time in which to answer me I will give it to him; there is one minute left in which he can say yes or no. The point is that it is now two and a half years since the imperial agreements were concluded. Our trade with the United Kingdom and the other countries of the empire is $29,000,000 less than it was during the twelve months ending August 31, 1930, the last year of the King administration. May I ask the minister whether or not that is true. He has time to answer yes or no.

Mr. HANSON (York-Sunbury): Mr. Chairman, I move that further consideration of the item be deferred.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Will the acting leader of the government kindly indicate the business for to-morrow?

Sir GEORGE PERLEY: To-morrow we will take up the bills standing in the name of the Minister of Finance. If we go into supply we will take up agriculture or public works.

Mr. MACKENZIE KING: We will not take up any of the social measures to-morrow?

Sir GEORGE PERLEY: No.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, February 28, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FRENCH TREATY

Mr. BROWN:

Are both contracting parties observing the terms of the treaty between Canada and France which requires that both parties to the agreement shall issue certificates of origin furnished by the government of the exporting country?

Mr. BROWN: When I put this question on the order paper I had not seen article 9 of the French treaty which deals with this matter, and on reading it I find that there is in the question an implication that is not warranted by that article. I understand that we are to have before us the question of ratifying certain amendments, and therefore this question might be dropped.

Mr. SPEAKER: Withdrawn.

LEAGUE OF NATIONS

Mr. POULIOT:

1. Did Canada, by affixing her signature to the telegram of the 15th of September, 1934, inviting the U.S.S.R. to enter the League of Nations, officially recognize the U.S.S.R.?

2. If so, has the government repealed the order in council of the 27th of February, 1931, P.C. 463, prohibiting imports of coal, wood and its products, asbestos, etc., from the U.S.S.R.?

3. If so, at what date, and what is the number of the order in council?

Sir GEORGE PERLEY:

1. No. The U.S.S.R. was officially recognized by Canada in 1924.

2 and 3. Answered by No. 1.

CANADA-NEW ZEALAND TREATY

Mr. McKENZIE (Assiniboia):

1. On what date did the Canada-New Zealand treaty come into effect?

2. What were the imports of butter to Canada from New Zealand each year under this treaty?

Mr. CAHAN:

1. May 24, 1932.

	Pounds
2. May 24, 1932 to March 31, 1933.	798,771
Fiscal year ended March, 1934.	737,601
April 1, 1934 to January 31, 1935.	323,364

SAINTE MONIQUE, QUE., WHARF

Mr. POULIOT:

What are the names of the persons from whom wood was purchased in connection with repairs to the wharf at Sainte Monique, Lake Saint-John county in 1934, and what amount was paid to each of them?

Mr. STEWART (Leeds):

Joseph Rossignol	$97 38
Pierre A. Lindsay	30 00
David Tremblay	20 70
Pitre Boudreault	10 00
Pierre Ferland	7 60

QUESTIONS PASSED AS ORDERS FOR RETURNS

ROYAL CANADIAN MOUNTED POLICE

Mr. CHEVRIER:

1. What is the total number of: (a) officers; (b) constables, in the Royal Canadian Mounted Police?

2. How many of each rank are Canadian-born?

3. How many of such officers were appointed in 1934?

4. What is the total number in the force of: (a) French-Canadian officers; (b) French-Canadian constables?
5. How many officers of the force were superannuated in 1934?
6. What number of French-Canadians, if any, were among those superannuated?
7. What is the number of French-Canadian officers in the force stationed in Ottawa?
8. What is the number of French-Canadian officers in the force stationed in Montreal?
9. Is there any vacancy or are there any vacancies in the officers ranks of the force?
10. If so, will French-Canadian officers be appointed to fill some of these vacancies?

PRICE SPREADS AND MASS BUYING COMMISSION

Mr. BOUCHARD:

1. What are the names of the stenographers engaged for the reporting of the proceedings of the Price Spreads and Mass Buying Committee or Commission during the recess of parliament?
2. What remuneration was paid to each of the above stenographers for such reporting?

IMPORTATION OF BARBED WIRE

Mr. ROBERGE:

1. How many pounds of barbed wire were imported into Canada during the years 1931, 1932, 1933 and 1934?
2. From what countries was such barbed wire impoirted?
3. What was the quantity imported from each country?

Mr. HANSON (York-Sunbury): Return tabled herewith.

TEN PER CENT DEDUCTION

Mr. ROBERGE:

1. How many public servants whose normal salaries in the fiscal year ending March 31, 1932, ranged from $1,200 to $1,800, suffered a deduction of ten per cent in their annual rate of compensation in each of the following fiscal years: (a) year ending March 31, 1933; (b) year ending March 31, 1934; (c) year ending March 31, 1935?
2. What was the total sum appropriated by the state from such employees by way of salary deduction in each of the fiscal years indicated?
3. What are the names and positions of public servants whose minimum statutory salary range was in excess of $4,000 as at March 31, 1932, who received special increases in their rate of compensation in each of the following fiscal years: (a) year ending March 31, 1933; (b) year ending March 31, 1934; (c) year ending March 31, 1935?
4. What were the normal statutory salaries of such public servants at the time such special increases were granted and what is the amount of such increase in each instance?

CANADIAN NATIONAL RAILWAYS

PROVISION FOR EXPENDITURE, INDEBTEDNESS AND THE REFUNDING OF MATURING OBLIGATIONS

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railways, to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year, 1935, and to provide for the refunding of certain maturing financial obligations.

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

Motion agreed to.

REPORTED STATEMENT OF ITALIAN CONSUL GENERAL

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): I wish to bring to the attention of the house a newspaper item that appeared in the Ottawa Citizen of Monday, February 25, reporting a dinner given in the Chateau Laurier in this city at which Commandatore Luigi Petrucci, the Italian consul general in Canada, delivered an address. In the body of that address he made these observations:

I can safely say to the Canadian citizens of Italian origin that to them is reserved the great task of explaining to their fellow citizens the real meaning of the Fascism of Mussolini so that it will be much easier for the Canadian people to adapt themselves gradually to the new economic and political system which is hardly unavoidable.

My question is this. Has the representative of another country, enjoying diplomatic privileges, the right to advocate in effect the substitution of a dictatorship for a democratic form of government and what action does the government contemplate to correct such interference in the domestic affairs of this dominion?

Sir GEORGE PERLEY (Acting Prime Minister): We shall have the matter considered and give the hon. gentleman an answer tomorrow.

MARKETING ACT

On the orders of the day:

Mr. W. A. FRASER (Northumberland): May I direct a question to the Minister of Agriculture? Will he assure the house that he will see that each and every one of the producers who are asked to enter a scheme under the Natural Products Marketing Act will be furnished with a copy of the act, chapter 57 of the statutes of last year?

Hon. ROBERT WEIR (Minister of Agriculture): I fear that will be impossible. Every

effort will be made in connection with any scheme brought forward to put the facts of the scheme before those who are interested in it. I will take the question into consideration and if anything further can be said, I shall be glad to get in touch with the hon. member with reference to it.

ELECTORAL LISTS—PRINTING

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): May I ask the Secretary of State (Mr. Cahan) how many of the 6,000,000 enumerated voters' names under the Dominion Franchise Act of 1934 have been printed and when the work will be concluded?

Hon. C. H. CAHAN (Secretary of State): The work is proceeding very rapidly. I cannot tell the hon. member to-day how many names have been printed. I saw the acting King's Printer yesterday but my memory is not sufficiently good to recall the exact number. In the ordinary course the lists, as I stated, will be in type by April 1, and will then be distributed. A large number of them are already printed and requests have been made for copies, but it would not be fair for the Secretary of State to discriminate between applicants, and I thought a date might be set about April 1 when the lists so far as then printed would be distributed to all parties on both sides of the house. I think that is fair. I believe all the lists will be set in type on or about April 1.

Mr. McINTOSH: Could the minister not have the lists by March 21 or 25?

Mr. CAHAN: After a suggestion was made by the hon. member for Quebec South (Mr. Power) that the lists of the cities should be proceeded with first, a general instruction was given that that should be done and I think a large number of the city lists are already printed and delivered to the franchise commissioner. The others are largely in type, but all will be in type by April 1. If there is any special demand on the part of the house that we should have the lists in type by March 21, I shall endeavour to accede to that request. To do so might require a little more night work than we had contemplated.

BUSINESS OF THE HOUSE

DECORUM DURING READING OF MOTIONS, TAKING VOTES AND RECORDING DECLARATIONS OF PAIRS

Mr. SPEAKER: I would like to crave the indulgence of the house for a moment. At a meeting of the whips held in my office this morning, it was thought that I might make certain suggestions to the house.

It is suggested that during the reading of motions, putting the question and voting thereon, there will be so far as possible silence in the house.

With regard to pairs, hon. members who were in the house yesterday will have noticed that there was a certain amount of confusion, as there always is, in connection with the announcement of pairs. It has been suggested by the whips that in taking the pairs, we start at the right at this end of the chamber and proceed down to the far end, then come back, start on the left side and proceed to the other end, thus avoiding confusion.

Finally, it was also thought that I might, with due deference to all hon. members, make the suggestion that all necessary conversation between hon. members be conducted as quietly as possible.

CANADIAN FARM LOAN ACT

AMENDMENT TO FACILITATE AND INCREASE THE EXTENSION OF CREDIT TO FARMERS

The house resumed from Monday, February 25, consideration in committee of Bill No. 15, to amend the Canadian Farm Loan Act—Mr. Rhodes—Mr. Morand in the chair.

On the short title.

Mr. BROWN: Might I make a suggestion? We have spent a great deal of time in going over this measure in a general way and have had a pretty thorough discussion. I agree with the minister a good deal of it has been irrelevant, but I think now we would make better progress, since there is no particular exception to the principle of the bill, if we took it up clause by clause.

Mr. POULIOT: At page 1275 of Hansard of yesterday this question was put by my right hon. leader:

> Mr. Mackenzie King: Will the acting leader of the government kindly indicate the business for to-morrow?
>
> Sir George Perley: To-morrow we will take up the bills standing in the name of the Minister of Finance. If we go into supply we will take up agriculture or public works.
>
> Mr. Mackenzie King: We will not take up any of the social measures to-morrow?
>
> Sir George Perley: No.

Therefore I understand Bill No. 15 is not a social measure, according to the statement made in the house yesterday by the Acting Prime Minister. This is a most important matter to consider at the start. There is also another point I would like to mention.

Sir GEORGE PERLEY: I think it is only right that this should be straightened out a little. The leader of the opposition was told that the Minister of Finance was going on

with his bills to-day. Then when he asked if we were going on with social measures, he referred to those in the name of the Prime Minister. The hon. gentleman's own leader knew that these bills of the Minister of Finance were to be taken up to-day. They are measures of reform; they are measures to improve the condition of the people just as the others are, but the measures about which the leader of the opposition asked me the question were those in the name of the Prime Minister. Unfortunately the Prime Minister has had a cold this week, but as soon as he returns those measures will be taken up.

Mr. POULIOT: In reply to the Acting Prime Minister, may I say this: It was said over the radio that the old order was gone—

Some hon. MEMBERS: Order.

Mr. POULIOT: Just a minute. What I am going to say now is, I assure the committee, quite relevant. We were told that the old order was gone. Well, there is before us this legislation with regard to farm loans. This is very little different from the previous legislation; in fact this is largely an increase in the amount which is to be loaned, therefore in this respect at least the old order is not gone. But, sir, may I tell you something more? What I was about to tell you when the right hon. gentleman rose to answer me was this, that some time ago I spent a week end at home and met several farmers who spoke to me about this legislation and the Farmers' Creditors Arrangement Act. They said that the latter has destroyed their credit with the banks, the merchants and the money-lenders, and made it impossible for any farmer to borrow money. That is due not to the new order but to the dawn of the new era as seen by the Prime Minister and his satellites last year in setting up a board with full powers to decrease by their own will the indebtedness of any farmer. By that means the credit of the farmers is completely ruined and their only recourse is to borrow money from the government. But is this amount of money sufficient to meet the whole indebtedness of the farmers? No sir, it is not. If the government is fair it will provide for the farmers enough money to meet their liabilities, because it is only from the government that they can borrow money now. This is not only my personal opinion but it is the opinion expressed by the interested people themselves, the very farmers who cannot meet their liabilities on account of the legislation passed by the government last year. And that legislation affects even those who have not yet borrowed money from the farm loan board, because it ruins their credit. Now the retail merchants and those who do business with the farmers not only do not give them credit but they force them to pay what is already owing. This situation shows that the Prime Minister did not see further than his nose when he passed that legislation. I am surprised that his attention was not drawn to that outcome by his colleagues. I regret it. I regret it on behalf of all the farmers who suffer from that immature legislation. Here again may I call the attention of the house and the country to the danger of having legislation prepared by people who do not know the first thing about the real condition of the farmers. They bring such legislation on ready to serve, but it is most indigestible. After having ruined the trade of the farmer by raising the tariff walls—

The CHAIRMAN (Mr. Morand): Surely the hon. gentleman is not going to discuss the tariff.

Mr. POULIOT: Just a moment, sir. I am coming to the cause—

The CHAIRMAN (Mr. Morand): We are discussing this bill.

Mr. POULIOT: Yes, sir, and I did not think it necessary to spell every word to the house in order to be understood, but if it is necessary I shall do so.

Mr. SPOTTON: Oh, oh.

Mr. POULIOT: I hear my hon. friend from South Huron—not South, because South Huron is represented by a good Liberal, as North Huron will be after the general election.

Mr. GOTT: And Témiscouata will be represented by a Conservative.

Mr. POULIOT: My hon. friend said exactly the same thing about South Oxford, and he was mistaken.

The CHAIRMAN (Mr. Morand): I must insist that the discussion be confined to this bill.

Mr. POULIOT: I perfectly agree, sir, and if you had said to the hon. member for North Huron, who breathes so loudly, and to the other hon. gentleman not to exhale his own to this side of the chamber.

The CHAIRMAN (Mr. Morand): I must insist that the discussion relate to the bill before us.

Mr. POULIOT: If a farmer has to borrow money it is because he needs it. Will you agree with me on that, sir? And if he needs it there must be a reason, and the reason is—

this is elementary—that he has not any money. Now why has he not any money, and why does he have to come to the government to get some? It is because he does not make any money. And why does he not make any money? It is because he has no market for what he produces. And why does he have no market? It is because there are high tariff walls.

Some hon. MEMBERS: Hear, hear.

Mr. SPOTTON: Oh, oh.

Mr. POULIOT: Well, I would like to see every farmer of North Huron in this chamber now to see the exhibition made by the hon. member. I know that he alone is a brass band.

The CHAIRMAN (Mr. Morand): Order.

Mr. POULIOT: When I was at college and studying philosophy the first thing to learn was "to ultimum quia" the very reason of things.

An hon. MEMBER: Why didn't you learn it?

An hon. MEMBER: Did you pass your exams?

The CHAIRMAN (Mr. Morand): The principle of the bill has been discussed and we are now discussing section one.

Mr. POULIOT: No, sir, we are still on the short title. This is most important. Is this house to vote $90,000,000 without knowing why? It is an enormous sum, and there must be a reason for it. There is not one reason only for the need of it, there are several of them. I do not intend to indicate all of them now, but I shall continue with my argument and keep within the rules of the house and within the subject matter that is before us.

Now, sir, take a poor farmer who has a splendid crop of potatoes in his cellar, first class potatoes, Green Mountain or any kind you like, first class and well graded. If he has no market how can he sell them? So they stay in his cellar, he may be offered 40 cents a bag for them, but that does not help him. The same with onions, the same with every commodity; with lumber, because lumber interests the farmers very much. In the winter time the farmer is largely a lumberjack. He is interested in the sale of lumber and of other commodities. He is not so much interested in the Canadian Pacific Railway; I say that to my hon. friend who has just groaned. The farmer should be helped, we should come to his assistance. But the way, to come to his assistance is not only to make provision that he can borrow money, although sometimes it is necessary to do that I admit. Why is it necessary? It is necessary on account of the foolish and insane policies put in force by the brute majority of this government since 1930. That is the cause of the farmers' present distress. What I ask sir, is that the farmer should be given a chance, should be put on his feet. I make very plain and clear suggestions to this government, but they will not listen to anyone who offers sensible suggestions.

Mr. GOTT: They will listen to sensible people.

Mr. POULIOT: I am not going to argue with anyone who makes jokes about the distress of the farmers. Some people were short sighted enough to tell the farmers to buy land for the production of tobacco, that they would have an unlimited market in Great Britain, but what has happened? I need not go into that, but the electors of South Essex know the losses they have suffered in the tobacco business and the onion business in the last few years. I am here as a member representing not only my constituency but Canada at large, and it is my duty as it is the duty of every member to defend the interests of the farmers. The farmer is a man who is lectured by the Prime Minister but who is not assisted by the government. That is what has happened since 1930; that is why to-day the farmer is in distress. The government have no policy to help the farmers, as they have no policy in regard to any matter mentioned in the speech from the throne. This is the result of a brain trust. It is very dangerous, sir, to take one brain out of its skull and put it into the hands of a brain trust. As a result the farmers have suffered. I gave an example the other day; I will repeat it now, and I defy the Minister of Finance to contradict me. If to-day the hon. gentleman tells the house that the government are going to loan $90,000,000 to the farmers instead of $15,000,000 is it not because the farmers are six times worse off than they were when the Mackenzie King government was in power? This is an elementary proposition. The Minister of Finance may crack jokes about it; he may speak in a solemn tone or he may direct a jibe to me; I am quite indifferent. Hon. members may call me anything they wish, as the hon. member for Vegreville did the other day in connection with another matter; I am indifferent. They can say anything—phut!—I am indifferent to it; it is of no importance whatever. I am here to do my

duty; I am here to tell the people, on behalf of those who suffer from the iniquitous policies of this government—

Mr. SPOTTON: Oh, oh.

Mr. POULIOT: There is another groan from the brass band.

Mr. GOTT: What is the sense; this is no speech.

Mr. POULIOT: That was the beating of a drum, and I attach no importance to it. I should like to see the farmers who may wish to take advantage of this act, in the constituencies of South Essex and North Huron, sitting in the galleries and listening to the performance of these two hon. members. Not one of those farmers would ever vote for these hon. gentlemen again. This is the time to tell of the distress of the farmers, but my hon. friend from North Huron went around the dear old province of Ontario telling the farmers what this government had done for them. The next time he goes around let him ask the farmers if their pockets have been filled by this government. The government will loan money to them; they will make their indebtedness greater, but they will not give the farmers a chance to get back on their feet and carry on in the hard times we now have because of the policies of the government.

Everything I have said has been strictly to the point, Mr. Chairman. I regret to have spoken at such length, but I did so in order to satisfy your curiosity, since you wanted to know why I was speaking about these matters. I have endeavoured to explain, in order that there may be no misunderstanding as to my position. To sum up, sir, after these short preliminaries, may I say to the Minister of Finance who is listening to me now—and who, as I said, as a rule is very courteous to hon. members—that it is not always a pleasure to stand up and speak in this House of Commons. But one has a duty to perform on behalf of the poor, the neglected and those who were prosperous some years ago, and have ceased to be. They did not realize it. They realize now that they are very poor because of the policies which have been brought in by this government. We have a duty to the public, and that duty will be fulfilled to the last, until this government is expelled by the will of the farmers, the workers and all the people of this great country.

Mr. ELLIOTT: There is just one matter to which I should like to direct the attention of the committee before this section is carried. There seeems to have been a misapprehension with regard to the operation of the loan act in Ontario, and some hon. members, particularly the hon. member for Dufferin-Simcoe and the hon. member for North Renfrew, stated that no loans were being made in this province. I assume, of course, that these gentlemen were unaware of the fact that their statements were not correct. I have made inquiries, and I am told that since November last 231 loans have been made in the province of Ontario, aggregating $438,490. That is within $145,000 of the amount loaned by the Canadian farm loan board for the fiscal year ending March 31, 1934, if I have the figures correctly. I just wanted to have that on the record, Mr. Chairman, as I have not the slightest doubt that my hon. friend from North Renfrew who I see in his seat to-day, was under a misapprehension when he said:

> My complaint is that from the time of the provincial election in Ontario last July no loans of any kind have been made by the province to the farmers of Ontario.

I just wanted to set my hon. friend right, because no doubt he will want to withdraw the statement he made.

Mr. COTNAM: With reference to the suggestion of the hon. member for West Middlesex I should like to say that in my section of the country no new loans have been made under the Ontario act since the election in this province last June. I have had farmer after farmer complain that loans had been approved by the provincial board but that after the election they were notified that they could not secure the loans and furthermore that the fee of $12 which they paid for inspection and examination of their property would not be returned to them, although the applications had been approved. Further, I should like to know just how many of those loans were made to Conservative farmers in the province of Ontario. It would be exceedingly interesting to find out if any of those loans were made to Conservative farmers. My information is that if loans were made they did not go to Conservatives in this province.

Mr. ELLIOTT: I do not believe the point the hon. member has raised properly comes under the discussion of this bill. Although I do not purpose prolonging the debate I feel I must not allow a statement of that kind to remain unchallenged. I accept the hon. member's statement as to what he understood, namely that no farm loans were being made in his district. I believe however the hon. member should look at what he said on February 25 of this year, and which is reported at page 1180 of Hansard as follows:

My complaint is that from the time of the provincial election in Ontario last July no loans of any kind have been made by the province to the farmers of Ontario.

With regard to the hon. member's remarks about what is now going on, and his references to the political class to whom loans are being made, may I say that I believe he may rely upon the government now in charge of affairs in Ontario to make loans irrespective of the political views of the applicants.

Some hon. MEMBERS: Oh, oh.

Mr. COTNAM: If the loans are made on the same basis as political heads were cut off since the last election, then certainly no Conservatives will secure loans. When I made my former statement I made it in good faith—

The CHAIRMAN (Mr. Morand): Order.

Mr. COTNAM: —because I have seen letters from the chairman of the Ontario farm loan board in which the statement was made that no new loans were being made at the present time in Ontario.

Mr. HANBURY: I would suggest to the hon. member who has just taken his seat that judging from the last election returns if loans in Ontario are going to be made only to Conservative farmers there will not be many applications.

I am not favourably disposed to this type of legislation. May I stress what the Minister of Finance said only a day or two ago when he ascribed some of the troubles experienced by farmers who have sought to procure money to the existence of moratoria from one end of Canada to the other. I believe we would have been acting in the interests of the farmers if we had detailed and accurate information placed upon the record indicating the moratorium existing in each of the provinces of Canada, beginning at Quebec and running through to British Columbia. I do not intend to discuss that aspect of the question further than to point out that not only are there moratoria in the various provinces, but a condition exists whereby after someone who has security on property eventually succeeds in getting through the provincial courts—and that does happen on occasions—and perhaps securing a judgment he is faced with the Farmers' Creditors Arrangement Act. To-day a man may procure his judgment from the court and to-morrow the farmer, or whoever it may be, finds that on account of this act the judgment he has procured is practically of no value.

Mr. HACKETT: No, that is only for sixty days.

Mr. HANBURY: I think the hon. member will find it is permanent.

Mr. HACKETT: Only sixty days; read the statute.

Mr. HANBURY: In my opinion the Farmers' Creditors Arrangement Act is to-day working to the disadvantage of ninety per cent of the best class of farmers in Canada. I suggest to the minister that when he is considering amendments to the act he will be acting in the interests of the people whom we are attempting to help if he will place on the statute books a definite date for conclusion. As it is at the present time I believe a period of six months, a year, a year and a half or two years may be provided. I do think however that in the interests of the farmers, those people who have their money invested in farm mortgages and things of that kind, there should be some definite date for conclusion. I make that suggestion to the minister so that he may consider it when bringing down his amendments.

In connection with the measure before us which provides for the assistance of the farmer only I have noticed that with the exception of the fishermen, whose case has been placed before the house by several hon. members, there are many other classes in our communities which have gone through the same troubles and tribulations and whose cases have not been presented. I am not going to enter into a detailed discussion of the difficulties with which the lumbermen have to contend, and about which I have some knowledge. It occurs to me however that after all this is class legislation. I know the government may answer that attempts have been made to help the lumbermen by means of trade agreements and other methods. The same efforts have been made on behalf of the farmers. I would remind the committee however that we have millions of dollars invested in the lumber industry of Canada, an industry which is receiving no benefit from any government measure along the lines of the one now before us. I cannot understand why we are proceeding to place all our eggs in one basket. I am making my plea possibly because I am opposed to socialism in any form, and I look upon legislation of this type as a form of socialism. I say to the minister that if he were to offer to the lumber industry of Canada $100,000,000 or $200,000,000, such sums to be advanced to them under a type of mortgage, to enable them to go ahead in the production of lumber, I would oppose the measure. I would suggest to the minister, as I do in the present instance, that by placing in the hands of the lumber producers or any other producers funds with

which to increase production we are simply emphasizing the unfortunate condition now obtaining. We must interpret this measure through which we are enabled to loan the farmers $90,000,000 as one which would have the effect of encouraging increased production. The fact is that to-day in Canada we have over production in many lines of farm produce. We know or at least have some idea about the hundreds of millions of bushels of wheat that the government of Canada is carrying for the farmer. We know the difficulty in connection with farm products of all kinds, and yet by this legislation we not only make it possible but we encourage the farmer to go ahead and to produce more of which we already have too much.

I have a further suggestion to make to the minister. On all sides and from one end of the chamber to the other we have had a competition to find out how cheaply we could get money. Rates of five per cent, four and a half per cent, four per cent and three and a half per cent have been suggested so that the farmer may proceed to overproduce. I did not hear any suggestion, however, throughout the long discussion which would indicate that the time might come during this session of parliament, when the Minister of Finance was producing his budget—or in later sessions when other budgets will be produced—when he would have to show us how much had been lost to the people of Canada in money which could not be collected on farm loans, and how much money would have to be paid out of the pockets of the people of Canada because we had loaned money on an uneconomical basis. I suggest that that is a point which should be considered before the measure passes. The time has come when we in Canada must consider whether we will ever balance our budget, and I believe the Minister of Finance may agree with me in that respect. I must state that I have had very little patience with the contest which has been proceeding in this chamber whereby one has attempted to outbid the other in order that the farmer may be provided with money to produce more than he can sell.

Before taking my seat there are one or two questions that I would like to have answered by the minister. I would like to know what the losses are up to date under the present Farm Loan Act, and what action has been taken to recover some of those losses or to recover in any case. In how many cases has action been taken under the present Farm Loan Act?

Mr. THOMPSON (Lanark): When the hon. member for West Middlesex (Mr. Elliott) was speaking a few minutes ago—

[Mr. Hanbury.]

Mr. BROWN: I rise to a point of order, Mr. Chairman. We have had this Ontario question threshed out backwards and forwards, and furthermore it is of no interest to the great majority of the members of this house.

The CHAIRMAN (Mr. Morand): The hon. gentleman is quite in order so far.

Mr. THOMPSON (Lanark): I take up very little of the time of this house, Mr. Chairman, and I only rise to my feet when I feel I have something to say. What I have to say now will not occupy me very long.

In the county of Lanark which I represent, no farm loans have been made since the last Ontario election.

Mr. BROWN: I am certainly in order now, Mr. Chairman, in pointing out that this matter has been threshed out backwards and forwards across the floor of the house thoroughly. This question of farm loans in Ontario is entirely irrelevant and this discussion is a waste of the time of the house and is of no interest to the great majority of the members. I ask for your ruling, Mr Chairman.

Mr. SPENCE: We have been listening to the troubles of Saskatchewan for a whole week.

The CHAIRMAN (Mr. Morand): There is no point of order. The hon. member for Lanark (Mr. Thompson) has only so far said that there have been no farm loans made in his county.

Mr. THOMPSON (Lanark): There have been dozens of applications for farm loans in the county of Lanark but they have not even been replied to. I know that in several cases $12 was sent in with the application and was accepted by the Henry government in Ontario and the loans were promised before the last election, but then there was a change of government and these farmers could neither get their loan nor get their money back. I was speaking the other day to a farm valuator and he told me that in the county of Lanark, where he values land, he had not been asked by the present Ontario government to value one farm since the last election. I had a man come into my house within the last ten days and tell me that he had bought a farm, had made application for a loan, but that he had to go out and borrow money privately. He wanted to know if he could get a loan under this act but I told him that the legislation had not yet been passed, and he went out

and borrowed money privately at six per cent interest from another farmer, instead of being able to borrow the money from the Ontario government which had accepted his $12 with his application and had promised to give him a loan.

Furthermore, about the first of December I was in the city of Toronto and I called to see the Hon. Duncan Marshall. I spoke to him about these men in the county of Lanark who were wanting to get farm loans and he told me, "For the present at least we are not making loans. I do not know what our policy will be in the future." I came back and I found that not one loan has been made in the county of Lanark and the farmers there are borrowing what money they require privately. I also want to repeat that many of them who paid in their money with their application have not only not got a loan but they have not received back their $12.

Mr. RHODES: If I may be permitted to reply to a specific question put to me by the hon. member for Vancouver-Burrard (Mr. Hanbury), the total of loans to date is $10,321,306.21, and the losses as of March 31, 1934, which is the latest reported figure, amount to $83,681.17. The total number of foreclosures since the inception of the act has been nineteen.

Mr. STEWART (Edmonton): Are those all losses on principal?

Mr. RHODES: That figure would include both principal and interest.

Mr. STEWART (Edmonton): It is rather confusing to get the answer in that way. I note from the report that there is a very considerable amount of overdue interest.

Mr. RHODES: My hon. friend will appreciate that the figure I gave was as of March 31, 1934. There are considerable sums of interest in arrear, and considerable sums of principal in arrear, but the total losses will not be determined until the individual transactions are closed up.

Mr. STEWART (Edmonton): Thank you, that is the point I wanted to know.

Mr. SPOTTON: Mr. Chairman, I have been intensely interested in the dire need of the farmers of North Huron for securing farm loans. I wish to say this to the credit of the Drury government which was in office in the province of Ontario from 1919 to 1923, that they started the agriculture development board. They also started the province of Ontario savings banks and gathered up money from the people of the province of Ontario who had it to spare and loaned it to the farmers of my county who needed it. This policy was continued by the government of the Hon. Howard Ferguson and the government of the Hon. George Henry. Coming from an agricultural constituency, even before I was a member of this house I asked the Ontario government to appoint an inspector in my county who would serve my farmers and those of the surrounding counties. This they did, and I can say this, that to my knowledge there never was a political loan made in the county of Huron unless it was to a Liberal candidate whom I defeated in one election, and in that case I went to the mat to save a political opponent.

The inspector would make his rounds and sometimes I have gone in to plead that they would raise the loan by one or two hundred dollars. Sometimes my request was granted, and sometimes it was turned down. But at any rate my farmers in the county of Huron—

Mr. BROWN: Mr. Chairman—

Mr. SPOTTON: My farmers in the county of Huron who could not secure money elsewhere, from life insurance companies—

Mr. BROWN: This is out of order, Mr. Chairman.

Mr. SPOTTON: When the pastoral member for Lisgar gets through I will continue, Mr. Chairman. I have always found that many half-baked clergymen are poor listeners.

Mr. BROWN: Withdraw that statement. I rise to a point of order, Mr. Chairman. I want that statement withdrawn.

The CHAIRMAN (Mr. Morand): I think the hon. member had better withdraw.

Mr. SPOTTON: Mr. Chairman, I neither said that the hon. member for Lisgar was a clergyman nor that he was half-baked; but I did say that I have known half-baked clergymen who were good speakers but poor listeners.

Mr. BROWN: That is just a way of evading the Chairman's ruling.

The CHAIRMAN (Mr. Morand): It is not permissible by inference to do what you cannot do under the rules. I would ask the hon. member to withdraw.

Some hon. MEMBERS: Withdraw.

Mr. SPOTTON: If the hon. member for Lisgar is a minister or clergyman, and if he comes in the category of being half-baked, I retract.

Mr. BROWN: Mr. Chairman, an hon. member of this house cannot make a statement of that kind.

Mr. SPOTTON: Then I will say he is well done, well baked.

The CHAIRMAN (Mr. Morand): I must insist that the hon. member withdraw that statement.

Mr. SPOTTON: Mr. Chairman, if you will tell me what the statement is I shall be glad to withdraw it.

The CHAIRMAN (Mr. Morand): The inference was that the hon. gentleman was a half-baked clergyman.

Mr. SPOTTON: I apologize to the clergymen of this country for any such inference.

The CHAIRMAN (Mr. Morand): I would ask the hon. member to withdraw his statement.

Mr. SPOTTON: If you think I made such a statement, Mr. Chairman, I shall withdraw it, but I made no such accusation against the clergy.

I wish to say, Mr. Chairman, that in the province of Ontario we are not egotistical, but we have listened for a long time to members from the western provinces getting up and I think slandering and libelling their own provinces when they say that their municipalities are broke, and their provinces are broke, and everything is in dire straits, and that they cannot secure loans in the money markets of the world but have to come down to get this government's O.K. I say that there are only four or five old provinces—Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island—that must therefore have that financial status which can help them out; and I do say that these western provinces do not show much gratitude. To these western members let me say that we have long remained silent in Ontario; but I appeal to them now—I am not trying to stir up anything of a sectional spirit—that the time has almost come when we shall have to have an Ontario consciousness. I appeal to the hon. member for West Middlesex, who I know is interested in agriculture; he represents an agricultural constituency, and I know from experience that he is sincerely interested in agriculture and in the advancement of that industry in his county. But I tell him that if he has not been sleeping with the Premier and Minister of Agriculture of Ontario he has been sleeping in an adjacent room. I am speaking figuratively, not literally.

Mr. ELLIOTT: I would be in excellent company either way.

[Mr. Spotton.]

Mr. SPOTTON: The Ontario government suggested that if they were granting loans in Ontario they would grant them at four per cent; but that reminded me of a friend of mine who said that if he had some ham he would have ham and eggs—if he had eggs. They would grant new loans—if they were granting loans—at four per cent. But they were not granting loans. A gentleman whom I revere and to whom the Hepburn administration has not been kind, Mr. Charles Robertson, the whip of the Liberal party in the last house, wrote—I have his letter in my office—to a farmer stating, "This government is not granting new loans to any farmers; but in the case of those farmers whose farms have been inspected, where they pay $12, and where the necessary legal work has been done and a loan has been agreed to, they are going to consider it." But in some cases, and I will give the names, the concession and the lot if necessary, they have reduced the loan by anything from $500 to $1,500. What is peculiar to me is that the resolution of the hon. member for West Middlesex and the announcement of the Ontario government synchronized. It looks as if they are playing a political game.

Mr. ELLIOTT: It shows the good judgment of both parties.

Mr. SPOTTON: Good politics, yes.

Mr. ELLIOTT: No, good judgment.

Mr. SPOTTON: But hard on the people. Now this is a fact. I went to the agricultural development board, after they had dismissed Mr. Roadhouse, and I was in communication with Mr. Fairbairn and Mr. Page, and they informed me that there were no new loans. The president of the United Farmers' organization in Ontario, Mr. Robert J. Scott, together with the hon. member for Dufferin-Simcoe and myself, lamented the fact that since last June the Hepburn administration has been very cruel to the farmers of Ontario. In our opinion they were striving to make it so severe that the farmers should lose the old homestead—they would make it hard for the farmers of Ontario so that it would have its effect on the next dominion election, because it can be nothing else than that. We have positive proof. Mr. Nixon, replying to Mr. Scott, is reported to have said that he was not listening much to Mr. Scott, the president of the United Farmers of Ontario organization, because he voted for George Spotton at the last election, and Mr. Scott replied that he had not voted for me. Sometimes I get discontented with my own party; but when I think

of the puerile, the infantile and the senile remarks of the opposition, I think I am better off staying where I am. When Mr. Nixon said that the president of the United Farmers' organization of Ontario had voted for me, that gentleman, as I say, replied that he had not. But I care not whether he did vote for me or not; if he did not many others did. The fact of the matter is however that Mr. Nixon said that scores of new loans were being granted daily in Ontario, whereas I make bold to say that this was not the case; and that will be laid upon the records in Queens park in the very near future. Some members of this house get up and tell how many loans there were. Well, if there were any, they were granted, believe me, in their constituencies during a byelection.

Many Liberal farmers have come to me and told me their farms had not been inspected. They were kidded along until the snow was on the ground. My hon. friend from West Middlesex knows this; he is fair and he will agree with me when I say that they kidded the farmers along while that beautiful white blanket covered the farms, telling them that they could not inspect the farms until the spring, and then they hoped to pass the buck to the federal parliament. But these little wise-cracking, peanut, potato politicians in Queens park, Toronto, will not, so long as I am in the flesh, kid or fool the farmers of Ontario. We have just recently seen Mr. Marshall come out with a change of heart.

An hon. MEMBER: Who is he?

Mr. SPOTTON: Duncan Marshall, whom Alberta made a great mistake in allowing to leave. I wish to congratulate this government, Mr. Chairman, on increasing the sum to $90,000,000 the amount of money available for the farmers of Ontario when they could get it nowhere else, and I plead with this government that they make the rate of interest as low as possible. The overhead, as indicated by this government, may be large, but I am glad that this government does not belong to the cannibalistic tribe we have in the province of Ontario. We have at the head of this farm loan board, they tell me, a former Liberal premier of British Columbia, and many of his assistants are from the ranks of Liberal politicians. I am glad of that, because I have never been a party to taking the bread from any home in my county or elsewhere. I have striven, and I have been successful in the endeavour, to extend the time of Liberal officeholders in my riding until even after the election when the opposition thinks their party is going to attain office.

I congratulate this government on the fact that they are making it possible, after the Hepburn government has turned down the farmers, and scores and hundreds of farmers in Ontario have been driven off the old homestead, for me to say what I have been able to say, to my farmers: Hold steady; it is only a few short months until you can drive up from the gate between those ancestral trees which your grandfather planted and you will rest secure on the old homestead. I am leaving to-night to lend a little assistance to a Liberal whose Liberal grandfather planted such trees and through the Farmers' Creditors Arrangement Act I feel we shall be able to send him home happy. On behalf of the electors of my constituency, Liberals and Conservatives alike, I wish to congratulate the Minister of Finance that when the Hepburn administration turned the farmers down, he stepped into the breach and said: I am ready, aye ready.

Some hon. MEMBERS: Oh, oh.

Mr. SPOTTON: Well, where were the farmers to turn? No other organization was loaning money and to scores of my farmers who are in danger of being driven off their farms, I am going to say to them, as I wire them weekly: Take advantage of the Farmers' Creditors Arrangement Act; that will hold you secure until the federal farm loan act is in operation and you will be able to hang on to the old homestead. The Hepburn administration has not been granting any new loans in the county of Huron. They may have done so in Frontenac, where they did some very cruel things, but they have not done it in the constituency I represent.

Mr. ARTHURS: In the first place I am quite satisfied that the great majority of the farming community in Canada is entirely in favour of this act and I am satisfied that there are not many hon. gentlemen opposite who dare oppose it. During this afternoon we have heard one or two hon. members opposing it. The hon. member for Vancouver-Burrard made the plea that this was class legislation and he strongly pleaded in favour not of the mortgagor but of the mortgagee; he was inclined to protect the interests of the investor rather than those of the farmer. The hon. member for Témiscouata took a very peculiar attitude particularly in view of the fact that hon. gentlemen opposite have been pleading on behalf of the farmer. He said that this act would ruin the credit of the farmers with

the banks. I have understood from almost all hon. gentlemen opposite who have been speaking on behalf of the farmers, that they have no credit with the banks at all.

I rise principally for the purpose of answering some remarks made the other day by the hon. member for Frontenac-Addington (Mr. Campbell). In my riding as in many others, including those of some hon. members who have spoken to-day, no farm loans have been made to my knowledge since June last. At that time there were many loans completed in so far as everything was concerned except the passing of the cheque. There is one case in particular of which I have personal knowledge where a man transferred his farm to the then mortgagee. He had sold the farm to another and taken property in Toronto as an equity. He had transferred the property to the farmer who was about to mortgage it to the farm loan board. The title had been searched; the mortgage was made out and registered as required by the Ontario board. Everything was completed except the passing of the cheque, but the loan has not up to the present date been granted.

Mr. BRADETTE: What is the name?

Mr. ARTHURS: I am not giving names here any more than is the hon. gentleman.

Mr. BRADETTE: I would like to get the names of all those cases. The hon. member cannot give them.

Mr. ARTHURS: I want to point out also that as far as Ontario and I believe the whole dominion are concerned, the Farmers' Creditors Arrangement Act depends in a large measure upon the successful passing of this measure. Many farmers are quite able to secure a compromise with their creditors providing they can produce ready money which could be acquired under this act. The difficulty in regard to providing ready money is what has caused the delay in many cases of adjustments under the Farmers' Creditors Arrangement Act.

As I have said before, I have no desire to delay this legislation; in fact I am most anxious that it should be passed. I am bringing up these incidents merely to help the act along rather than to do anything to hinder its passing.

Mr. BRADETTE: It is very easy to see from the discussion this afternoon that hon. members opposite are not in love with Mr. Hepburn, but the criticisms that have been made of him in this chamber are not going to do him any harm. Hon. gentlemen opposite seem to believe that we should not have any central government; that we should all go to the provincial field. When I first came into the house I tried to establish the status of the settlers and I was glad to hear on Monday of this week that the Minister of Labour was placing some classes of settlers under the scheme. He stated that settlers operating farms under contract with the director of soldiers' settlement could apply for the benefits of the Farmers' Creditors Arrangement Act. I believe the minister tried to answer my question last week in regard to giving the exact status of the settlers, but no final decision was reached. There is only one standard, that of colonization settlers, because you cannot build up classes within classes and you must necessarily permit all settlers, even if they are not or have not been soldiers, to come under the scheme.

I would like the committee to be fully seized of the exact situation so far as nothern Ontario in its relation to this act is concerned and I believe the same thing applies also to northern Quebec and the newer sections of colonization of the prairie provinces and British Columbia. In the two provincial ridings of Cochrane, Ontario, there are over 3,600 families who have settled on the land and who are actual farmers in the full sense of the word although they do not own their farms outright. Their farms still belong to the crown in the right of the province. These people would not come under the scheme. Surely if it is possible for soldier settlers to come under the scheme these people who are actual settlers, living on their holdings and getting their living out of farming, ought to be able to come under the act. The minister was not definite in his answer the other day and there was no possibility of arriving at a conclusion or giving a full definition of the status of people in actual occupation. As I say, if it is possible for soldier settlers to come under this act, it should be possible also for an actual settler, one who has occupied his land for a number of years and to whom the land belongs to some extent, to come under the act. I am sincere in my pleading on behalf of that rural population. When we talk of agriculturists, we must include not only farmers who own their land but also the man whose actual occupation is farming. This should be possible within certain limits.

I fully appreciate the statement made by the Minister of Finance the other day that this was a colonization scheme. I do not want it to be taken as a colonization scheme;

but the last stage of colonization, when a man is almost ready to get his deed, having sufficient land cleared but being unable under provincial regulations to get it, is the time that the central government should come to his help. It should be possible to bring within the provisions of this measure the real settlers in the newer sections, as well as the soldier settler. There should be no distinction. If you are going to make classes within classes it will bring trouble. Again I make this urgent plea, and I am going to keep on making it, because it is very important. It applies just as forcibly to the riding of the Minister of Labour (Mr. Gordon) as to that I have the honour to represent. In such ridings there are thousands of families who are not able to benefit under this scheme as it stands at present. That is also true in Pontiac and several ridings on the Quebec side. If the government is really desirous of finding a solution for the problem of the farmers they should make it possible for all who deserve the name of farmer to benefit.

Now I want the Minister of Finance to give me a concrete answer on that very important point. I do not want to be unreasonable, I do not want a settler who has just settled to come within these benefits, but the man I refer to is the farmer who by actual work for the last five or ten years has shown himself to be such. It is possible for the government to be fully protected, there are inspectors on the ground in the different provinces and they can distinguish between the settler and the real farmer. I ask the minister to give a ruling on that point. In my section we are absolutely in favour of anything that will improve the lot of the farmer as well as of the working man, but under this legislation we see no salvation and no help for one of the finest rural sections there is in Canada to-day.

Mr. RHODES: I take no exception to the hon. member for North Timiskaming (Mr. Bradette) making a plea for the settlers in his area, but may I point out that I am not competent to give a ruling, as he puts it. He cited a reply given to him on a question submitted to the Minister of Labour. That had reference to the Farmers' Creditors Arrangement Act, and had we been discussing that act I would have given the same reply. To-day we are discussing the Canadian Farm Loan Act. I propose to move an amendment to the present bill which will define a farmer in precisely the same terms as the definition in the Farmers' Creditors Arrangement Act. That is as specific an answer as I can give. My hon. friend will realize that the board must be the judge whether or not a man comes within the definition laid down by the act.

Mr. VALLANCE: On Monday last I drew to the attention of the minister a condition that exists in Saskatchewan in connection with the exemption law of that province. The minister answered me at that time that he was not aware that any representations had been made to the government. After recess the minister was kind enough to refer to a telegram, I believe, sent by the chairman of the board. I did not happen to be in my seat at the time.

Mr. RHODES: Sent by the commissioner.

Mr. VALLANCE:

In view of fact that Saskatchewan is only province which provides for exemptions from seizure under chattel mortgage and in view of fact that conditions of loan require additional security on chattels, believe board will require legislation in your province which will make security taken on chattels in province of equal value to similar security taken in other provinces.

That suggests to me that the other eight provinces have no such exemption legislation. Saskatchewan did have an exemption law unless legislation passed recently cancelled it. The very fact that we have an exemption law indicates that the farmers in that province probably were in greater need of financial assistance than those in any other province. In spite of what the hon. member for North Huron has said about the western provinces I still claim that we in the west, through no fault of our own, find ourselves in a more difficult position than farmers in the eastern provinces. If this Canadian Farm Loan Act is to be operative in Saskatchewan only on condition that the exemption law now in existence be done away with this act will be of very little advantage to the farmers there. All loans that have been advanced up to the present to farmers in Saskatchewan have been advanced with these exemptions in existence.

What are the exemptions? I put them on record in Hansard last Monday; they are:

Four oxen, horses, or mules, or any four of them, six cows, six sheep, four pigs and fifty domestic fowls besides the other animals kept for food purposes, together with food for such animals for the period from November 1, to April 31, or such portions of the months which follow the date of seizure.

Now I am in hearty accord with the act and the spirit of the act and what it proposes to do, but if as a preliminary to its becoming operative in Saskatchewan we are to be compelled to forego that right we had

under the exemption law, to me it seems too great a price. The migration of farmers from the drought areas to the northern part of the province was possible only because they had these exemptions. If they had not had them you would have had, not hundreds but tens of thousands of destitute farmers in Saskatchewan alone. So I am apprehensive about what the final result will be if we should be faced with climatic conditions in the next few years similar to those we have had for the past five or six. So I urge the minister that the exemption laws be left in effect; loans have been advanced by private companies with these exemption laws in existence, and if private capital is willing to invest in farm mortgages notwithstanding the exemption law, surely the Dominion of Canada can do the same. I think section 9 deals with this whole matter. It reads:

> In the event of legislation being passed by the legislature of any province operating under this act after loans have been made available in that province which, in the opinion of the board, would prejudicially affect the security of existing or future loans, the board, by notice to be published in the Canada Gazette, may cease to make further loans in that province.

It would seem that this farm loan board is going to be clothed with authority to sit in judgment on the legislatures of the provinces, and if legislation passed by a province does not meet with the approval of the farm loan board that board will have the right to cease lending money in that province. That power to supersede the legislature is too great to give to any board. I urge that before this bill is passed the minister give consideration to those provinces that have exemption laws.

Mr. RHODES: Mr. Chairman, my hon. friend cited section 9 of the act. We are only inserting that in the present amendment for the purpose of renumbering. That section was in the old act, and has been there since 1927. It has no reference to the point my hon. friend has just made. But I am advised by the solicitor of the farm loan board that these exemptions from chattel mortgages have been peculiar to the province of Saskatchewan, that they have not obtained in any other province, and that the list of exemptions in Saskatchewan was very widely enlarged during the session of 1934. The object that the commissioner of the farm loan board had in mind in bringing the matter to the attention of the government of Saskatchewan was not to prejudice the farmers of that province.

Mr. VALANCE: I am not suggesting that.

[Mr. Vallance.]

Mr. RHODES: The object was to assist the farmer by making available to him additional security which, as my hon. friend and the committee will realize, only has application to second mortgages. Otherwise there would have been no necessity for dealing with the question of chattels at all because under part I of the act we deal only with first mortgages covering real estate and buildings. The solicitor further advises me that the amendment which has been passed by the Saskatchewan legislature only has reference to mortgages made to the Canadian farm loan board, and that the law with respect to those exemptions remains as it was with respect to other mortgagors.

Mr. VALLANCE: That is what I object to.

Mr. RHODES: So my hon. friend will realize that it has a limited application. My hon. friend says he objects. He will appreciate, of course, that in that case the question is one wholly for the legislature of Saskatchewan, because in the natural course I would asume that the commissioner would make his recommendations only with respect to loans which might be made by the farm loan board.

Mr. DONNELLY: I have been very much interested in this act because I know the condition of the farmers of western Canada and I realize that they need money at a lower rate of interest. I am in sympathy with the act providing money is loaned out fairly freely to western Canadians. For years in western Canada we thought we could pay interest rates of eight per cent, nine per cent, ten per cent and even twelve per cent, but in recent years we have found that absolutely impossible. Our land mortgages in western Canada draw interest at eight per cent and nine per cent. Our interest to the bank as a rule has been about eight per cent. Our interest to machine companies, lumber companies and other firms has been as high as ten per cent and twelve per cent, and we realize that under present conditions it is absolutely impossible to pay such interest rates. By loaning money on farm mortgages to western Canadians at rates low enough, whether four per cent, four and a half per cent or even five per cent, it will be something for the other companies to shoot at, and we will be able to get the other companies to come down to a reasonable rate of interest, which will reduce the farmers' overhead.

It is my contention, Mr. Chairman, that to-day the farmers of western Canada are worse off than any other farmers in the country. More than that I claim that the farmers of Canada are worse off than any other farmers in the world. I do not care at what country you look; in no other community or country are the farmers as badly off as the farmers of Canada. I ask any member of this house to tell me in what country the farmers are as hard up as they are in this country, or in what country they are getting lower prices for their goods than the farmers receive in Canada. Look at the country to our south and see what they are getting for their products. We hear a great deal about the United States farmer; in the west we hear a great deal about the terrible condition of agriculture in the United States. Let me show some of the prices those farmers are receiving as compared with the prices received by Canadian farmers. Perhaps then hon. gentlemen will realize that if the United States farmers are hard up our farmers must be much worse off. I have before me quotations from the Winnipeg Free Press, indicating the prices paid in Canada, and quotations from the Chicago Tribune showing prices paid in the United States. We have heard a great deal about hogs; last year we were told that the price in this country was so much higher than it was in the United States. What about the price now? We find Canadian farmers receiving $7.75 a hundred for bacon hogs, as of February 26, while in Chicago for the same hogs they were receiving $11.20 to $11.45.

Mr. SHAVER: Would the hon. gentleman permit a question?

Mr. DONNELLY: Just a moment; just sit down until I am through. Possess your soul in patience for a moment. That sum of $11.20 also includes the processing tax of $2.25 per hundred while to the price of $7.75 in Canada there should be added $1 per hog if it is a select bacon hog. That must be taken into consideration, but that is all. I can say also that the United States hog is not to be compared with the Canadian hog. It is not a bacon hog; it is a lard hog, produced for the fat. It is like our heavy hog, not like our Yorkshire hog at all. When we make a comparison of these hogs we should take into consideration only our fat hog, rather than the bacon hog. Then we come to cattle, and what do we find? Cattle up to 1,050 pounds actually sold in Winnipeg for $6.50 per hundred, whereas across the line cattle up to 1,500 pounds were selling for $13 to $13.75. For good cattle from 700 pounds to 1,000 pounds they were receiving $11 to $13.60 while we were receiving $5.25. The fact of the matter is that to-day farmers in the west are paying the duty and shipping cattle across to Chicago. In Winnipeg lambs sold for $6, while in Chicago lambs sold for $8 to $8.75. Butter sold in Winnipeg for 24 cents; in Chicago it sold for 31¼ cents. Eggs sold for 21 cents in Canada and for 23.75 cents in Chicago. Let me give the figures with regard to grains:

	Winnipeg	Minneapolis
	$ cts.	$ cts.
Wheat, May.. .. .	.83½	1.04
Oats..	.40⅝	.51⅛
Rye..	.54	.64
Barley..	.49¾	.70⅛
Flax..	1.45⅝	1.83½

These figures give some idea of the prices we obtain for our products, but on the other hand what about the cost of production? Last year I was at a meeting just near the United States line when there was some discussion in regard to the cost of production. I referred to the fact that a man could cross the line and buy a pair of overalls for 80 cents that he would have to pay $1.75 for in Canada. Someone said that was not so. A man sitting in the audience got up and showed me a pair of overalls for which he had paid 80 cents, and said, "Now bring on your $1.75 overalls." We compared them and ours were not as good as theirs. Work shirts sell on the other side for $1 to $1.25; in Canada the same shirts sell for $2.25 and $2.50. I do not need to compare the prices of gasoline. On the Canadian side it costs three and four cents a gallon more than it costs in the United States, and the same is true with regard to harness. So far as implements are concerned, on the average they cost 25 per cent more on the Canadian side than on the American side. So our western farmers are at a great disadvantage as compared with the United States farmers. What about the other farmers? What about the farmers in Australia? The farmers in Australia are in a far better position than we are because of their inflated currency. Even with our wheat held up ten cents or eleven cents above the market price the Australians are to-day getting as much as we are. Yet they have no peg in their wheat prices; they are letting the price of their wheat go where it will, but on account of inflated currency they are getting as much as we are. They are also receiving extra dividends on their butter, their mutton, their wool and everything they grow on the farm. Those are the countries with which we have to compete—the Argentine and Australia. The farmers in

the Argentine are in the same position. They are receiving more than we are for their produce, because of their small freight haul due to being close to the seashore and also because of their inflated currency. I know of no country in the world where the farmer is in such a bad condition, unless it be India. Unless some relief is given to the western farmers the same will be said of western Canada as was said of India, namely, "Unless something is done for the Indian farmer we will have one vast rural slum." That will be true of western Canada unless something is done for our farmers.

Mr. PERLEY (Qu'Appelle): You are not helping it with that kind of stuff.

Mr. MULLINS: I have been sitting here for some days listening attentively for some constructive suggestion from the opposite side of the house and I have not yet heard it. I have heard nothing but criticism. There are hon. members sitting on the other side of the house who want to scuttle the ship so as to drown the captain of this party. I have waited patiently for something constructive. I have listened to the hon. member for Macleod talk about a nineteen cent cow; I heard the hon. member for Sherbrooke talk about five cattle for four dollars. I heard an hon. member making the statement that Canada is in the worst position of any country in the world. He does not know what he is talking about. All I ask is that he go where I have just come from; let him travel through Kansas. I have just come from Kansas and Colorado and I saw them gathering tumble weed, a weed which is gathered on the prairies for feed to save their live stock. They are in a far worse condition than we are.

An hon. MEMBER: We are doing that out west.

Mr. MULLINS: They are in a far worse condition than we are in the northern part of the province of Manitoba. As I stand in my place I can see a gentleman in the gallery who is a real farmer, not one of your class farmers.

Mr. DONNELLY: Just a cattle buyer, like the hon. member.

Mr. MULLINS: He is not one of those cowless, sowless, chickenless farmers. No, he is not a farmer who has exploited the top six inches of the soil. I can see from my place in this house a farmer who sold his crop last year for $72,000. Why does he not say something about that. Why do we not have a little cheer added to the discussion, and not continually damn the country I have lived in longer than a good many of those third-rate professional men. I am not going to sit here any longer and listen to them.

Then the hon. member for Macleod made a statement about the old canning cow. Why did he not tell us that cattle sold yesterday in Toronto for seven cents a pound? Why did he not tell that hogs have gone up to eight and a half cents a pound? Why did he not tell that and spread a little cheer? How much money do hon. members expect the Minister of Finance will loan to the farmers when they are doing their cause so much harm? Hon. members opposite are not putting this matter in the proper light. Spread a little sunshine, and do not talk all the time about these extreme cases. Let us talk about other things. Yesterday in Toronto three loads of cattle sold at six and a half cents a pound, and others sold at seven cents a pound. But hon. members opposite seem to prefer to talk about an old canner cow. Why, in the old days after the old canner cow had served her purpose on the range we turned her loose and pensioned her. We did not try to get nineteen cents for her; we were not so small as that.

I want to say that in the constituency of Marquette we are not in the condition hon. members opposite are trying to make out. True, we have suffered through low prices, but our trouble is that we cannot get our products to the market. I have not yet heard one hon. member opposite make the logical statement that what we want in western Canada is lower rates of interest. The Minister of Finance is now offering us that lower rate of interest. That is all we are asking for. We do not want to continue to be exploited by interest rates of eight per cent or nine percent, but we would be content with interest near five per cent.

Then, further, we are asking for lower freight rates. We want to get to the markets of the world. I have lived in the west a long time, and I defy any person to carry on farming in western Canada and pay the present freight rates to get to the markets of the world. It is not possible; it cannot be done. I would like to see lower freight rates; I would like to see our farmers placed in a position where they may make homes instead of boarding houses. A good many of our farmers have become discouraged. Why? A lot of travelling salesmen came along and took their money by inducing them to invest in watered stock. They were sold the inflated stocks of various corporations. I believe I see in this chamber a few men who

have suffered from watered stock. That is one of our difficulties in the west. We have had to face watered stocks, gambling and wheat speculation. We have come to the conclusion that there is only one panacea, namely, to go back to work and do our farming the way the Almighty intended us to do it. We have to do away with the one-crop rotation and make homes of our farms. We must not drive our young men away to the cities.

These new political parties come along with new panaceas, and make the statement from public platforms that the Canadian government could not take a bromo seltzer without referring to London. That statement was made by the member for Southeast Grey.

Miss MACPHAIL: I never mentioned bromo seltzer.

Mr. MULLINS: That Canada cannot take a bromo seltzer without referring to London.

Miss MACPHAIL: No.

Mr. MULLINS: She referred to London.

Miss MACPHAIL: I am very sorry; I would like to claim it, but it is not mine.

Mr. COTNAM: It would be good for a morning headache.

Miss MACPHAIL: I never referred to a bromo seltzer.

Mr. MULLINS: She is quoted as stating that Canada could not take a bromo seltzer without referring it to London.

Miss MACPHAIL: Probably crazy water crystals.

Mr. MULLINS: Also in Saskatchewan the hon. member referred to a Bennett stomach. She said a child was X-rayed and it turned out that he had a Bennett stomach.

Mr. COOTE: Nothing in it.

Mr. MULLINS: Under matured, I think she said.

Miss MACPHAIL: I was quoting a medical authority.

Mr. MULLINS: You made the statement from the platform. You cannot deny it.

Miss MACPHAIL: I don't deny it.

Mr. MULLINS: Then the hon. member for Battle River talks about perishing Dick. Think of any such statement as that!

Mr. SPENCER: May I ask the hon. member if he is referring to me? Because if he is he is misquoting me.

Mr. MULLINS: I had not intended to speak this afternoon and have not the clipping with me. But fortunately I have here for the benefit of the hon. member for Southeast Grey a quotation from the Star which is her favourite paper. In its issue of June 5 the Star says:

> Hamilton, June 5.—"We cannot take a bromo-seltzer for the headache from which we are suffering until it is decided at an economic conference that it is the thing to do." Miss Agnes Macphail, M.P. for Southeast Grey, charged at a public meeting under C.C.F. auspices here Saturday night.

So I did not misquote you.

Mr. DONNELLY: Mr. Chairman, the hon. member is not addressing the chair.

Miss MACPHAIL: I regret it was not I. I do not remember saying anything so clever.

The CHAIRMAN (Mr. Morand): Will the hon. member please address the chair?

Mr. MULLINS: Yes, I intend to do that, Mr. Chairman, but the hon. member interrupted me and I had to answer her.

Mr. COTNAM: You cannot get the last word with her.

Mr. MULLINS: I would like to see a little cheer spread in here. I do not want the Minister of Finance to be discouraged by all this calamity howling from the other side of the house, making extreme statements about conditions in western Canada. I will venture to say that nearly every municipality in my constituency has a credit balance.

Mr. SPOTTON: Hear, hear.

Mr. MULLINS: I am not going to have the statement made that the municipalities are all bankrupt. The municipalities north of the main line of the Canadian Pacific Railway are not in that position. I say that the little towns in my constituency are most of them in a very good financial position, and I am proud that my constituency is purely agricultural. I cannot sit silent in my seat any longer when I hear these extreme statements made about western Canada. I must take issue with them. Let me tell you that eighty-five per cent of the prairie farmers own their farms, and only forty-five per cent of them are mortgaged.

Mr. VALLANCE: What is the hon. member reading from? What is his authority for that statement?

Mr. MULLINS: I fortunately have that clipping with me. I am reading from the Country Guide. Does the hon. member take it?

Mr. VALLANCE: No.

Mr. MULLINS: The Country Guide should be good enough authority for the statement I am making, and it says that 85 per cent of the prairie farmers own their farms and only 45 per cent are mortgaged. If I were the Minister of Finance I would not make a loan at all to some of these people in the 45 per cent class. No doubt they are some of those that my hon. friend was referring to who want a loan all the time. You cannot satisfy them with loans, Mr. Chairman. I had only one mortgage left, Mr. Chairman; I had cleaned up all the rest, and I went to the last man who owed me $3,200, the balance on a farm, and I said to him, "I want you to pay me. You have owed me this money for seven years. What are you going to do about it?" "Well," he said, "I can't pay." I said, "I think you can. I hear you made good profits last year, that you had a pretty good crop on this farm. Now I think you had better pay." "Well," he said, "take $1,000 and I will pay it." Now if the Minister of Finance is going to make loans to that type of man that only wants to settle with you for so much, then God help the people who are standing behind this country and buying its securities for their old age. I would be most particular in making a loan to farmers. First I would want to know the man. He would be 50 per cent to start with. I would look him over, and his ability to farm. Then I would want to look at the farm. You may have good fertile land, but if you have a shiftless, useless individual on that land, your loan is no good.

I have said that 85 per cent of the prairie farmers own their farms. In Ontario 88 per cent of the farmers own their farms, and only 42 per cent of them are mortgaged. So we out west are in just about as good a position as the farmers in the county of my hon. friend from North Huron (Mr. Spotton). I just wanted to make that reference to show that the Ontario farmer is not in a very much better position than we are in western Canada.

The government is paying thousands of dollars to keep up unemployment camps. There is a camp in my constituency with from 1,200 to 1,500 men in it, and they are having the best time of their lives. They have their hockey matches and their boxing bouts and concerts two or three days a week, and the menu card is as good as you could get at the Chateau Laurier cafeteria. Why keep these young men there? In the pioneer days—yes, in my day—we got no such pap handed out to us. We went out to fight the battles on the open prairie, and I am glad of the experiences I went through as a pioneer.

This is not my last contribution on the floor of this house; I am going to notify the house of that now. I have heard members around me stating that this is their last contribution in this house, and others expect it to be theirs. Well, this is not my last. Marquette tells me that I have a mission in this house, and that I have got to serve them. I have had letters sent to me and they have encouraged me greatly. There is a new era coming for we have a government that is doing something. For goodness sake, gentlemen opposite, wake up and help solve this country's problems to bring Canada back on its feet. Stop your calamity howling over there, and spread a little sunshine. I look into the faces of hon. gentlemen opposite who are members of the United Farmers. I am a member of the United Farmers of Manitoba, and just as good a one as any that sits on the other side of the house. I have financed and helped them all down through. I believe in them and stand back of them to-day. They have sent a resolution here asking for the abolition of these unemployment camps. They are going back to horses; they are going to farm as the Almighty intended them to farm, but the difficulty is that they cannot hire the labour. The labour is not available. The men are all in the camps enjoying themselves. Let us get back to the right conditions. We have a country that is the best in the world, and I defy anyone, and this includes my hon. friend from Willow Bunch, to challenge that statement. I know the district he comes from; I was in it in the early days. I have a great many friends in Willow Bunch. I have travelled all over the United States and have seen the conditions there. I know the conditions under which the farmers borrow from the government of the United States under their Fraser-Lemcke act. I have seen the actual conditions of the farmers themselves, and I make this statement, Mr. Chairman, that there is no country in the world that offers the same inducements as Canada to the young man who wants to go out and work. So I say to you young professional men who are struggling for an existence in some country town: Go and get one of those western farms; this is the best time you ever had to buy one of them; take off your coat and go to work and farm it the way the Almighty intended you to farm it.

Mr. PORTEOUS: There has been a good deal of criticism, both in this house and outside, and there have been many rash and untrue reports not only from private citizens but from the Premier of Ontario with respect to the Ontario development board. The statement which has been reported that 11,000 applications which were made to the Ontario development board prior to the last provincial election were political applications is entirely untrue. As a matter of fact I had a good deal to do with the Ontario development board in my district, and I never knew who the inspector in that district was until he was fired by the Hepburn administration.

An hon. MEMBER: Never mind about that.

Mr. BRADETTE: Leave Ontario alone for a while; are you a provincial or a federal member.

Mr. PORTEOUS: My experience is that more loans have been made in Ontario to Liberal farmers than to Conservatives. And I make that statement—

Mr. BRADETTE: Without knowing anything about it.

Mr. PORTEOUS: —after having made a survey in my district in connection with the board. The Ontario development board was started under the Drury regime, and it was started because it had been found to be necessary to have long term, low interest loans to farmers; and that principle has been carried out all through. The hon. member for Vancouver-Burrard has said that it is not necessary to go into the loaning business, that it should be left with private interests. I want to take issue with that statement. It is necessary. Until the Ontario development board started we never had in Ontario sufficient long term, low interest credit to farmers, and that is why they entered the field. That is why this bill has been introduced. It has been introduced to supply that need, and I congratulate the Minister of Finance on its introduction. Perhaps, as the hon. member for West Middlesex has said, a few applications have been granted under the Ontario development board in the last few months. But no applications would have been granted under the Ontario development board had it not been for the action of the Minister of Finance in introducing this bill. The Ontario development board has been negligent in that it has not supplied the need of credit, and it has been negligent also in its failure to send a representative to meet the creditors, under the Farmers' Creditors Arrangement Act, so that an adjustment could be made. I find that in no instance have any official receivers under the Farmers' Creditors Arrangement Act had representations from the Ontario development board. We have heard hon. members get up and claim that mortgages should be reduced, that there should be a debt reduction, that doctors and lawyers should reduce their fees and storekeepers and mortgage companies should reduce their accounts; yet they are supporting a government that does not recognize the necessity of sending a representative under the Farmers' Creditors Arrangement Act to make a suitable adjustment so that the farmers may be able to pay their debts. In my opinion this act should be worked in conjunction with the Farmers' Creditors Arrangement Act, because I believe that is necessary. I believe there are many private persons who have mortgages on farms and are in need of money, and who would make a settlement of sixty or seventy per cent of their claim if they could get the money, because they are in need of funds at the present time, and this act could be worked in conjunction with that legislation. No loans had been made by the Ontario development board until after the meeting which was referred to by the hon. member for North Huron, the meeting of the United Farmers in convention in Toronto, when they criticized the action of the Ontario government and the fact that they were not making any more loans. And I say that they would not have made any loans had it not been for the fact that they knew that the Minister of Finance was about to introduce legislation to cover the field, and by reason also of the criticism which was directed at them by the farmers in convention at that time.

Mr. SPENCER: With regard to the remarks made by the hon. member for Marquette, may I say that he has possibly the most lively imagination of any member, old or young, in this house. I agree that it is a mistake to point out the most pessimistic side of the struggle which we are going through, but it is probably more wrong to be unnecessarily optimistic. In statements that have been made with regard to western Canada in particular, we may have heard some pessimistic things; but I have not heard a single instance cited in this house which has not been true. Some extreme cases may have been mentioned, but I have not known of a single set of figures quoted that have not been accurate. As regards the statement of the hon. member for Marquette, all I have to say is that if the picture he has drawn this

afternoon is true, then in honesty he ought to oppose both the bill which is before us at the present time and the Farmers' Creditors Arrangement Act, because there is no need for such legislation so far as Manitoba is concerned.

I was interested in his statement about someone in the house who had taken off a crop worth $72,000. As one interested in agriculture, I might say to the committee that the largest crop I ever took off in western Canada brought me my greatest loss. The hon. member did not give the other side of the picture: he did not say what it cost to take off that $72,000 crop.

Mr. MULLINS: May I be permitted to explain? The hon. gentleman I was referring to sold 100,000 bushels of wheat at 72 cents and two cars of barley at 92 cents, and that gentleman was sitting in the gallery a minute ago. He cleared up all his debts.

Mr. SPENCER: If that is so, and if that condition is general throughout Manitoba, I am glad to hear it; but I am rather of the opinion that Manitoba is not in a much better position than any of the three prairie provinces, or even British Columbia. The figure given by the hon. member showing that eighty-five per cent of the farmers owned their farms is entirely fallacious; and the figure showing that only forty-two per cent of the farms have mortgages is, I claim, also wrong. We were told by the Prime Minister in his radio addresses—and surely he was pretty careful about what he told the public over the radio—that the farm debt of this country was no less than $1,000,000,000. If the farm debt is as large as that, surely Manitoba has not been the one province that is exempt.

May I for a moment refer to a statement made by the hon. member for Vancouver-Burrard who said that the Farmers' Creditors Arrangement Act was against the best interests of 90 per cent of the farmers of this country. As one who comes from the prairie provinces I have to take exception to that statement. I believe the Farmers' Creditors Arrangement Act is a very good piece of legislation and one very badly needed in Canada. From recent information I understand that not only is it being used to a considerable extent in the prairie provinces, but in the old province of Quebec it is probably being used more than in any other and I am quite sure it will be used in Manitoba. I also take exception to the statement made by the hon. member that this is class legislation that we have before us. In my opinion the legislation was put forward entirely as a matter of self preservation on the part of the dominion. The farmers who represent the greatest calling in this country are a certain asset that we cannot afford to let go into bankruptcy wholesale and we cannot have them leave their farms. It is because of that situation and the fear that that might take place, such legislation as this has been proposed by the government, namely the extension of the farm loan act and the Farmers' Creditors Arrangement Act.

The hon. member said also that this financing is being carried out to encourage the farmers in greater production. I do not believe that. I think the Minister of Finance told the house only the other day that this was being done to help out the debt situation throughout the dominion and I believe that statement is correct. We have to-day, as some hon. members have pointed out, an extremely serious debt situation in Canada, particularly with regard to agriculture and it is to help to reduce the terrible debt that the farmers are trying to carry that this act is being passed, so that they may be able to refund their debts through the application of the Farmers' Creditors Arrangement Act and the use of the Canadian Farm Loan Act, thus not only bringing about a smaller liability but having it carried at a much lower rate of interest.

We must remember that during war time the farmers were encouraged to increase their holdings tremendously in support of the interests of Canada as a whole. After the war when we had a seven months' winter so far as the west was concerned, we had a famine in feed which caused enormous debts to be developed amongst the farm communities. We found the price of cattle dropping so rapidly the following year that huge debts were incurred wherever cattle were being carried. The farmers have never got over those times and the legislation before us to-day would help them considerably toward at least seeing daylight.

So far as agriculture is concerned the problem in Canada both east and west is on the one hand one of prices which have been extremely low, and the fact that agriculture has not been in a position to regulate in any way its prices as has been done with regard to prices for the products of industry. Second, the problem before Canada east and west is one of debt.

Before I sit down may I refer to a statement made by the hon. member for North Huron whose words I think I caught correctly. He used these words, that when western members spoke about western Canada

they slandered and libelled their own province in referring to the debts of their municipalities and provinces. I think this statement was entirely uncalled for. I am in pretty steady attendance in this house and so far I have not heard a statement with regard to the debts of western Canada made by any western member on either side that was not correct. I think it ill becomes the hon. member to make such a charge. He went on to say that he was glad that by this legislation there was going to be $90,000,000 put at the service of the farm loan board and he intimated that this was for Ontario. Even if only part of it was for Ontario, it appears that conditions in that province are not so rosy after all if the farmers there require the assistance that is being proposed by this legislation. The situation in Ontario is the same as it is in western Canada so far as agriculture is concerned; it is one of low prices over which the farmer has no control and this has brought about the huge amount of debt that agriculture is carrying.

Mr. REID: I would like to direct a question to the Minister of Finance and I think this is an appropriate time to ask it. But before asking it, might I point out that while many complaints have been made regarding loans, I think the complaint generally at least in the lower Fraser valley has been that not enough loans have been made in my province. I am not, however, going into that matter at the present time nor into the other matter that the men themselves will be bankrupt before loans are made. I think the minister said that the integrity and ability of the man would carry more weight than would the property itself. I have in mind the government increasing the loan to $90,000,000 and I understand they intend to loan more money so as to enable the farmer to get out from under or lighten his existing load. I am pleading now on behalf of a class of farmer out there who is carrying quite a load, who is just as desirous of getting out from under as the farmer who owns his farm and who should receive consideration. Will those who are on five acre farms, shall I say, with an investment of perhaps of $40,000 or $50,000 and who are struggling along at the present time with low prices, come under the regulations to be based on the amendments which are going through the committee? Regulations, although they were not in the act, were made by the board debarring these men and they were told in most instances: The board has made a ruling that the class to which you belong will not be taken in under the former farm loan act.

Mr. RHODES: The best answer I could give to my hon. friend is to say that this is a farm loan act. We define "farmer" in the act and when we come to the appropriate clause, I purpose moving an amendment placing on the word "farmer" the same interpretation as is used in the Farmers' Creditors Arrangement Act. The regulations to which he referred, passed by the farm loan board—and now I am dealing with the old board if I may so term it—were not restricted in any sense; they were if anything rather widening the interpretation of the word "farmer" as defined in the original act. It may be that the regulations, or even the definition itself, were not sufficiently wide to include certain classes of people engaged in farming. But the size of the farm is not an issue, as I understand it. It is purely a question of whether or not a man is a farmer within the meaning of the act. I hope when I move the amendment my hon. friend will appreciate that, while we are confining these loans to farmers, the interpretation of farmer is as broad as it can reasonably be made.

Mr. REID: As far as British Columbia is concerned the board in making these regulations did not take in poultrymen or small ranchers. Although it was not specifically provided in the act that they did not come under it, the board itself defined a farmer as excluding that class. That is why I asked whether the regulations would be changed.

Mr. RHODES: I cannot say offhand whether the regulations will be changed, but I do not believe we can widen our definition of farmer beyond that used in the Farmers' Creditors Arrangement Act.

Mr. SHAVER: It was reported in the public press on Tuesday that the Minister of Agriculture of Ontario issued a statement on Monday to the effect that the agricultural development board of Ontario will still make loans to farmers, and no legislation will be passed by the Ontario government to enable the Canadian farm loan board to come into operation there. Will that prevent the Canadian Farm Loan Act from coming into operation in Ontario, or if it does come into operation will it be in competition with the Ontario agricultural development board? Will they both be in operation in Ontario at the same time?

Mr. RHODES: When this bill is passed it becomes operative in all the provinces. Whether it comes in competition with the Ontario board in making loans would be a question of fact; it may or it may not in an individual case. If their agricultural development board continues making loans it follows that both the dominion and the province will be making loans in Ontario.

Mr. ILSLEY: In Nova Scotia there is an impression that it is impossible to get a loan of more than a certain amount. I was under that impression myself. I have not been able to attend the discussions here, and perhaps that point has been dealt with. I thought the minister said a moment ago in answer to the hon. member for New Westminster that there was no limit as to the size of the farm, or that the amount of the loan did not come into question. Is that correct?

Mr. RHODES: No. We have yet not had a chance to come to the individual sections of the bill, but I have no objection to dealing with the question now. What I had reference to was that the acreage of the farm had no bearing on the point, but there is a limit beyond which they may not go in making an individual loan, namely, $7,500. I have an amendment—I mentioned it the other day—which will increase the percentage on valuation that can be loaned.

Mr. ILSLEY: I am of course interested in conditions in the Annapolis valley in Nova Scotia, where values perhaps are large compared with farms in some sections of Canada. Unfortunately there is a large amount of mortgage indebtedness in the Annapolis valley. On the other hand there are not many foreclosures, and conditions in many respects might be worse. For instance in the county in which I live no dominion or provincial relief money has been expended. The people are self-reliant and want to pay their debts and discharge their mortgages. I suggest as a matter of policy that the government should decide whether they have faith in the future of the apple growing industry in Nova Scotia. I suggest that they decide that they have faith in the future of that industry. If they do, they will take over a number of the present mortgages in the Annapolis valley and be prepared to lend money on apple orchards. Loans have been made there, but I think from the minister's knowledge of conditions in Nova Scotia he will agree that comparatively speaking not very much has been lent there. It may be due to the policy of the provincial board. I know the chairman of the board, Mr. Paterson, very well, and I have no particular criticism to make of his policy except that it is characterized by great caution; he does not intend to take any chance of losing a dollar of the government's money. While that is good for the government it is pretty hard on these orchard owners who have run into bad times and are unable in most instances to get money from the Canadian farm loan board when they apply for it. I think there should be a more liberal policy of lending on apple orchards. It depends on whether those in charge of the fund are going to take some chance on apple growing coming back to the position it was in a few years ago. I think in times like this the government had better decide to have some faith in the future of that industry.

Mr. RHODES: As my hon. friend knows, I have intimate knowledge of local conditions in the area to which he refers. I know personally hundreds of farmers in the constituency of my hon. friend. I do not believe any finer moral risks could be found in any part of the dominion. Loans have been made there. If he looks up the records I think he will find that while there is no doubt that Mr. Paterson is very cautious—possibly errs on the side of being too cautious—nevertheless the proportion of farm loans made in Nova Scotia bears a fair relation to the total amount of applications and loans in other provinces. There is a possibility that there has been a restriction on loans there due to the fact that hitherto not more than fifty per cent of the value of the land could be loaned, but under amendments which I propose to move that percentage will be increased so that in the case of second mortgages we shall be able to lend up to 66⅔ per cent.

Mr. REID: In all provinces?

Mr. RHODES: Yes, and after this amendment, where hitherto on first mortgage, they have been limited to fifty per cent on the land and twenty per cent on buildings, they will be able to lend up to fifty per cent of value of land and buildings.

Mr. ILSLEY: Does the minister propose to enlarge the amount that may be lent on an individual farm, or is the $7,500 limit to be adhered to?

Mr. RHODES: It is intended to adhere to the limit of $7,500.

Mr. ILSLEY: Enlarging the limit would perhaps help my constituents more than some other things. It is not unusual to have farms worth quite a lot of money, $20,000 or $30,000, and some are heavily indebted. There are instances where that limit stops them from going to the government.

Mr. COTNAM: The Ontario development board has lent over $50,000,000 to farmers in Ontario. Applications are being made under the Farmers' Creditors Arrangement Act for readjustment of these loans. I should like to know if the official receiver in a community has authority under the act to recommend an adjustment of those loans or that they should be written down, where they have been made by the province.

Mr. RHODES: Of course, Mr. Chairman, we will have this discussion all over again when we come to the Farmers' Creditors Arrangement Act, but we have covered quite a wide field so I have no objection to answering the question of my hon. friend. The official receiver has no authority to do anything except to attempt to bring the parties together in a mutual arrangement. But the board of review, the case having been referred to it, has authority to order a compromise which would involve a reduction in the amount of the mortgage held by the provincial board.

Mr. MacLEAN: This act has just been introduced in the province of Prince Edward Island, and naturally we are receiving many questions and a great deal of correspondence in regard to it. The difficulty seems to be that the man who needs assistance most will not be able to get it under this act. I refer to the man who is mortgaged pretty heavily, perhaps beyond the point at which the farm loan board would give him assistance if they adhere to the limit of sixty-six per cent of the value of the property. The man who has a gilt edged risk does not have so much difficulty in obtaining a loan as the man who is loaded up a little beyond that point, but the second man is the one who needs assistance at the present time. We are led to understand, by the minister's statement, that the Farmers' Creditors Arrangement Act and this act are distinctly separate, and that they cannot be termed even companionable acts.

Mr. RHODES: No.

Mr. MacLEAN: Then perhaps they may be termed companionable acts, but even if a man has an arrangement made under the other act so far as I can see there is no way by which he can get new money under this act with which to carry on. On previous occasions the minister has explained that it is not wise to put in the Farmers' Creditors Arrangement Act any provision which would compel the farm loan board to lend money to anyone who might be suggested or recommended under the other measure. I quite agree that there is room for argument there, but still there is a great difficulty. If a man makes an arrangement with his creditors under the other act he is unable to get any new money from the man who holds the mortgage, or from any other man or from any lawyer who has money to loan, and in Prince Edward Island we do not have loan companies. So it is impossible for a farmer to get a loan under any condition. That is the difficulty; even if the farmer makes an arrangement with his creditors he cannot get money with which to carry on. If something could be worked out under which the man who is hard up and cannot meet his interest or principal payments could be tided over and given a new start it would be a good thing, and, I think, in keeping with the intention of these two pieces of legislation.

I am glad the minister gave us the explanation he did give this afternoon; we will be able to send copies of Hansard to those who are interested. I do hope that in handling these loans through the representatives in the different provinces the government will be as lenient as possible. Do I understand from the minister that this sixty-six per cent is on the real estate alone, or does it include movables and personal property?

Mr. RHODES: That is on the real estate, and that has reference to the first and second mortgage. But I pointed out to my hon. friend from Hants-Kings a few moments ago that whereas hitherto a first mortgage has been limited to fifty per cent of the value of the land and twenty per cent of the value of the buildings, under an amendment which I propose to move when I have an opportunity to do so that percentage will be increased enabling us to loan up to fifty per cent of the value of the land and buildings. So in that respect I may point out to my hon. friend, who may not have been here the other day, that we are going even further than they have gone in the United States, where at the moment they are confining themselves to our old limit of fifty per cent of the value of the land and twenty per cent of the value of the buildings.

Mr. DAVIES: There is one matter I should like to draw to the attention of the minister, arising out of the definition of the word "farmer." This afternoon the minister was kind enough to restate what he told the house on Monday, namely that it was his intention to bring in an amendment to the present definition of the word "farmer" which will provide that under the farm loan act the definition will be the same as under the Farmers' Creditors Arrangement Act. Members of the committee will, I think, recall that

the object of having that definition standardized was that there are certain farmers who live in small towns or village, some of whom have retired, who still have to live on the earnings of their farms, and it seems that they were not in a position to obtain loans under the act. This morning I received a wire which I think will prove of interest to the minister, which reads as follows:

Board of review holds opinion that present definition of farmer would not cover case where party does not actually till the soil.

This is from Alberta. If it is so that the board of review in that province holds that the definition under the Farmers' Creditors Arrangement Act requires that a man should actually till the soil, then that definition is not going to be very acceptable since it does not cover the cases which the committee intended should be covered when it was suggested that the definition should be changed. I quite recognize that it does not necessarily follow that the farm loan board in its operations will interpret the word "farmer" as it has been interpreted under the Farmers' Creditors Arrangement Act, but I think we should keep in mind that it is highly desirable that the definition should be interpreted in practically the same way. I can quite conceive that later on, if this definition is interpreted by the farm loan board as it has been by the board of review in Alberta, applicants who reside in a village and are not actually tilling the soil will not be eligible for loans under this act.

I commend to the minister's consideration this interpretation by the board of review of Alberta before he actually brings in his amendment with respect to the definition of the word "farmer" because I think it essential that this definition should be so couched as definitely to provide that a farmer, so long as he is a farmer, does not actually have to reside on the land proposed as security; nor should it be necessary for him personally to be tilling it.

Mr. RHODES: Of course the logical thing would be to discuss the definition of farmer when we come to that section, but as I say we have travelled so far afield over a number of days that we might as well keep at it until we have answered every possible query that may arise, so I do not take exception to my hon. friend having raised the point. The definition of "farmer" as given in the Farmers' Creditors Arrangement Act is I think as broad and comprehensive a definition as it would be possible to provide. I give that view to the committee in all humility and with due deference to hon. members learned in the law who have had a wider experience than I have had. My experience has been that the simpler a definition is made the more comprehensive it becomes, and that the more one attempts to include exceptional cases the more it is restricted. There will always be border-line cases. By using the definition of "farmer" as it appears in the Farmers' Creditors Arrangement Act there will be no restriction calling for actual occupation of the soil on the part of the individual, so long as he is a bona fide farmer. I believe the hon. member raised the question whether or not a person could be said to be tilling the soil. My answer would be that if he is not tilling the soil he is not a farmer. I would add however that in defining a term border-line cases will always be found, and I believe we will have to leave to the discretion of the farm loan board the matter of dealing with individual cases. They will have to decide, on the merits of each case, whether or not a man is a bona fide farmer and entitled to a loan on his farm.

Mr. DAVIES: What about the man who is a poultry farmer or a bee keeper? Certainly he would not be tilling the soil, but he is none the less a farmer engaged in a certain class of farming.

Mr. RHODES: May I answer the hon. member as I did another hon. member? I do not believe I am called upon to state whether or not a certain individual shall come within the definition of the word "farmer." Parliament will say what in its judgment is a farmer, and following that the board in its discretion must determine whether or not an individual case comes within the law as laid down by parliament. I believe upon reflection the hon. member will realize that the condition I have described must obtain. If I wanted to find the definition of the term "farmer" after parliament had expressed itself I would refer to the Department of Justice. I would most respectfully decline however to place myself in the position of interpreting the law applicable to individual cases.

Section 1 agreed to.

The CHAIRMAN (Mr. Gobeil): Section 2.

Mr. RHODES: Mr. Chairman, before coming to section 2 I should like to move an amendment which, in effect, would be a new section 2. However I do not believe we need concern ourselves about the renumbering of the sections at this time because as I understand it that will be done automatically at a later time by the law clerk. My amendment is:

That Bill No. 15 be amended by inserting the following section after section 1 thereof:

2. Section 2 of the Canadian Farm Loan Act, chapter 66 of the revised statutes of Canada, 1927, is amended by striking out paragraph (d) thereof and substituting therefor the following,—

(d) "Farmer" means a person whose principal occupation consists in farming or the tillage of the soil.

That simply means we are amending the interpretation act and changing the definition of the word "farmer" as it now appears in the act so that it will conform in exact verbiage with the definition of "farmer" in the Farmers' Creditors Arrangement Act.

Mr. BURY: May I call the minister's attention to the fact that the new definition he proposes to insert should end with the words "consists in farming." If he leaves it in its present form it will clash with the definition of "farming" appearing in the same section of the act, because the definition of "farming" in section 2 (e) is:

"Farming" includes stock raising, dairying and the tillage of the soil.

Inasmuch as "farming" is already defined in section 2 (e) I suggest the new definition need go no further than this:

(d) "Farmer" means a person whose principal occupation consists in farming.

Mr. RHODES: I have no objection to allowing the amendment to stand to afford an opportunity for a further investigation. May I add however that it was prepared by the legal representatives of the farm loan board and was approved by the Department of Justice. However I am not questioning the contention of the hon. member; he may be quite right. I do not pretend to be able to give an offhand judgment as to whether or not an amendment ought to be changed.

Mr. BURY: Farming is already defined in section 2 (e) in the terms I have indicated. I would submit the addition of the term "or tillage of the soil" immediately after defining "farming" rather suggests a curtailment of the meaning of the term farming. Why not leave the definition of farming to be supplied by the act itself?

Mr. REID: Only a few moments ago the minister defined a farmer as one who tills the soil, because he stated to the committee that if a man was not tilling the soil he would not in his opinion be a farmer. The hon. member for East Edmonton has indicated that the word "farming" includes stock raising, dairying and the tillage of the soil. If that definition is followed, and if the matter is not considered carefully, it will mean that a man who is taking care of an orchard may find himself in difficulties. He would not be tilling the soil. A bee keeper is not tilling the soil; a poultryman is not tilling the soil, nor does he come under the definition of "farming." The amendment should be allowed to stand until the definition is clear, otherwise it would be impossible for a poultry farmer to obtain a loan. That is one of the reasons I asked the minister if the regulations would be changed, because if a proper definition is not given not one poultryman could obtain a loan. I ask that the section stand.

Mr. RHODES: I have already asked that it stand.

Section 2 agreed to.

On section 3—Capital stock.

Mr. RHODES: My amendment, Mr. Chairman, which I will ask the chairman to read, has a twofold purpose. Under the act as it exists an initial advance of $5,000,000 was made to the board by the government, upon which the board under the statute as it exists is obliged to pay interest to the government at the rate of five per cent. This amendment is designed to make it within the power of the governor in council to fix the rate of interest, the object being to reduce that rate of interest to the general level of the rate of interest which will be charged on all loans.

There is a further amendment by adding a subsection 4 to section 3, reading as follows:

The board may retire the outstanding capital stock subscribed by borrowers under the act, by crediting the amount of the par value of the stock subscribed by the borrower as a payment upon the borrower's indebtedness under his loan from the board, and when so credited, the borrower shall thereupon cease to be a stockholder of the board.

As I understand it, in layman's language that simply means this, that whereas hitherto the farmer who has received a loan from the board had to subscribe to the stock to the value of five per cent and had to pay interest upon that sum until such time as the mortgage was finally liquidated, this amendment will have the effect of immediately crediting that five per cent to his loan from the board and he will have the benefit of the interest on that between now and the time when the mortgage is finally paid.

Mr. REID: And his debt will be reduced accordingly?

The CHAIRMAN: Sir George Perley moves:

That Bill No. 15 be amended by striking out section three thereof and substituting the following:

3. Section five of the said act is repealed and the following is substituted therefor:

"5. The capital requirements of the board shall be provided as follows:

(1) The government of Canada may subscribe to an initial capital to an amount not exceeding five million dollars and may pay the amount of any such subscription at such times and in such amounts as in the judgment of the board are necessary for the purposes of the board; and the amounts provided from time to time under this subsection shall be free from interest charges for a period of three years, after which time interest shall be paid at such rate as the governor in council shall direct, repayment of the amounts so provided shall be made from time to time out of the earnings of the board: Provided that before any such proposed repayment is made, the reserve fund of the board provided for by section nine of this act, shall be at least equal to the total repayments, including the repayment then proposed to be made.

(2) In addition to the initial capital provided for in the next preceding subsection, the board shall issue capital stock in shares of one dollar each, which shares shall be subscribed for by the government of Canada from time to time as loans are made under this act to an amount equal to five per cent of the said loans, so that the total amount subscribed under this subsection shall equal at any time as nearly as may be, five per cent of the total amount of principal outstanding on loans theretofore made, the same to be called for by the board as required.

(3) The minister may purchase at a price not exceeding the par value thereof, the capital stock issued by the board to any province and for the purpose of such purchase, the minister may make the necessary expenditure out of any unappropriated moneys in the consolidated revenue fund.

(4) The board may retire the outstanding capital stock subscribed by borrowers under the act, by crediting the amount of the par value of the stock subscribed by the borrower as a payment upon the borrower's indebtedness under his loan from the board, and when so credited, the borrower shall thereupon cease to be a stockholder of the board."

Amendment agreed to.

Section as amended agreed to.

Section 4 agreed to.

Mr. RHODES: I have an amendment here, Mr. Chairman, that a new section be inserted after section 4. The motion reads as follows:

That Bill No. 15 be amended by inserting the following section after section four thereof:

5. Section seven of the said act is amended by striking out paragraph (a) thereof and substituting the following therefor:

"(a) Loans shall be made only on the security of first mortgages on farm lands up to fifty per cent of the board's appraised value of such lands and the buildings thereon: Provided that no one person and no two or more persons having joint or several ownership of the land to be mortgaged shall have by way of loan in the aggregate at any one time more than seven thousand five hundred dollars."

[The Chairman.]

(2) The said section seven is further amended by striking out paragraph (f) thereof and substituting the following therefor:

"(f) Every loan made under this section shall be repayable upon such terms and within such periods not in excess of twenty-five years as the board may prescribe: Provided, however, that all loans repayable over a period in excess of five years shall be repayable in equal annual or semi-annual instalments of principal and interest."

Mr. RHODES: The only change in section 5, paragraph (a) is to enlarge the valuation of a farm from the figure of fifty per cent of the land and twenty per cent of the buildings to fifty per cent of the land and buildings.

Sir GEORGE PERLEY: I move accordingly, Mr. Chairman.

Amendment agreed to.

The CHAIRMAN (Mr. Gobeil): That will now be the new section 5.

Section 5 (new) agreed to.

On section 5 (as printed)—When loans available.

Mr. CARMICHAEL: Mr. Chairman, it is very difficult to tell just what section we are on. We have in heavy type the figures 3, 4, 6, 5, 8—

Mr. RHODES: As I understand it, we have just carried the new section 5.

The CHAIRMAN: That is correct.

Mr. CARMICHAEL: I suggest that the chairman read the marginal note to the sections so that we can tell which section is before the committee. I wish to say a few words on section 5 as printed, with the marginal note "When loans available." I happen to live in a province where loans have not been available for the past seven or eight years, since the farm loan act came into operation. This section says:

Loans under the provisions of this act shall not be made in any province of Canada until notice of intention to commence the making of loans in that province has been given by the board in the Canada Gazette.

Are all the nine provinces now going to be on the same basis? That is, will the notice in the Gazette take in all nine provinces, and will lending operations be carried on in all nine provinces at the same time?

Mr. RHODES: Yes, it is the intention when this bill becomes law that it shall become operative as well in provinces where

hitherto it has not been in operation, namely, Prince Edward Island, Ontario and Saskatchewan.

Section 5 agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN (Mr. Gobeil): We are now considering section 6.

Mr. RHODES: I have an amendment to this section. The effect is that if there is a realization on the security held by the board and the title to the property, which is the subject of such security, is transferred to the board, then in that event the government's subscription of five per cent shall be cancelled and a contribution in that sum shall go to the reserve fund of the board. It is merely for the purpose of improving the security position of the board. The amendment reads:

That Bill No. 15 be amended by striking out section 6 thereof and substituting the following:

6. Section 9 of the said act, as amended by section 7 of chapter 46 of the statutes of 1934, is amended by striking out subsections 3, 4 and 5 thereof and by substituting the following as subsection 3:

"3. If, as a result of proceedings to realize upon any security held by the board, the title to the property which is the subject of such security is transferred to the board or if an amount insufficient to discharge the debt secured is realized, the stock in the board subscribed by the Dominion government in respect of such loan shall be cancelled and the amount paid thereon shall be transferred to reserve account."

Amendment agreed to.

Section as amended agreed to.

On section 7—Chief executive officer in provinces.

Mr. BARBER: It is provided that the officer shall, upon appointment, exercise all the powers and duties conferred upon him by the board. Does that mean that applications for loans shall go through this officer or direct to the board?

Mr. RHODES: In the ordinary course they would go direct to the officer, but I assume there would be nothing to preclude an application going direct to the board itself, though I have no doubt that in that event the board would refer it back to the chief executive officer of the province.

Section agreed to.

On section 8—Local loan advisory board.

Mr. BARBER: Would this board advise in regard to valuations?

Mr. RHODES: Yes, or contribute any other local knowledge which the chief executive officer might feel like consulting them about. It is an advisory body purely and may or may not be called into consultation by the chief executive officer. It would depend upon the circumstances.

Section agreed to.

On section 9—Legislation prejudicially affecting security.

Mr. CASGRAIN: That will not affect provinces in which there is a moratorium law?

Mr. RHODES: This is the old clause; it is a renumbering. It was designed in the first instance to guard the board against any laws which might be passed by any province prejudicial to the operation of the act, but there is no change in the provisions.

Mr. CASGRAIN: What does the minister mean when he says "prejudicial to the operation of the act"?

Mr. RHODES: If any province should pass a law which would affect the taking of proper security on the part of the farm loan board, in that event the board might for the time being withdraw from lending operations in that province.

Mr. BLAIR: Will the local advisory board work in cooperation with the provincial advisory boards?

Mr. RHODES: I should hope so, but it will not of necessity. This is purely a dominion act and their duties are solely in respect of this dominion legislation.

Mr. ELLIOTT: If I may be allowed to refer to the old section 7, is there any amendment to clause (e) of that section with regard to the rate of interest?

Mr. RHODES: No, there is no amendment.

Mr. ELLIOTT: That remains as it is?

Mr. RHODES: Yes.

Section agreed to.

Sections 10 to 13 inclusive agreed to.

Mr. REID: Will the minister allow me to ask a question with regard to section 11 which we have already passed?

Mr. RHODES: Certainly.

Mr. REID: I notice it is provided that:

The board shall for all purposes be deemed to be the agent of the crown and any security taken by the board shall be so taken on behalf of the crown.

Does that mean that they would be really acting on behalf of the crown and that a municipality could not sell the property for unpaid taxes? Suppose a mortgage were issued on behalf of the farm loan board and there were unpaid taxes on the property. Does this section mean that the municipality would have no right against that property inasmuch as the board would then be acting as an agent of the crown? That is a very important point.

Mr. RHODES: Under the act as it exists at the moment we were working in cooperation with the province because there had to be enabling legislation by them. Now we are setting up a new position and as we enter a province, this is to clarify our position and make it clear that the action of the board is on behalf of the crown in right of the dominion.

Mr. REID: I think we should hesitate right at this point, because last year when we were putting through amendments to the Soldier Settlement Act, I do not recall the wording but the provision inserted in the act was to the effect that the soldier settlers would come out from under the jurisdiction of the crown. In that act the municipalities were then given the right to sell property belonging to soldier settlers. Now under this farm loan act we are taking that power away from the municipalities and giving it to the crown. Personally I am against this clause.

Mr. RHODES: Of course the extent to which my hon. friend is against it will, I am afraid, militate against the successful operation of the act in any province. I might point out to him that he need have no concern in respect of the payment of taxes, because in the amendment last year we provided specifically as will be found in paragraph (c) of section 4 of the amended act of last year:

Pay yearly to local taxing authorities amounts to the extent of the taxes that would have been owing on such real estate had the same been assessed and a levy made thereon in that year.

Mr. REID: Last year, according to the exact wording in the act, the soldier settlement board was made a "corporation sole," so as to give municipalities the right to sell lands belonging to settlers under the soldier settlement board, when the taxes of those settlers were in arrears. We are not going to give that right to municipalities in regard to land belonging to ordinary farmers, but we did in respect of land belonging to soldier settlers.

Mr. STEWART (Edmonton): I should like to join in the protest of the hon. member for New Westminster, if it is intended that lands reverting to the crown through the agency of the board are to become non-taxable. This has caused a great deal of discontent.

Mr. RHODES: It is not.

Mr. STEWART (Edmonton): If that is clear, there is no objection.

Mr. RHODES: It is quite clear and there is no question. That is why we included in the act of last year the amendment which I just read. I think it clarifies our position.

Sections 14 to 16 inclusive agreed to.

On section 17—Supplementary advances.

Mr. RHODES: I have an amendment to move to this section:

That Bill No. 15 be amended by striking out section seventeen thereof and substituting the following:

17. Subsections one and two of section nine of The Canadian Farm Loan Act Amendment Act, 1934, renumbered as section nineteen of the Canadian Farm Loan Act, are repealed and the following are substituted therefor:

"(1) Notwithstanding anything contained in Part I of this act, the board may in any case where it lends on the security of a first mortgage, make a further loan for a period of not more than six years, repayable on such terms as the board may determine, on the security of a second mortgage on the farm lands and in those provinces of Canada where chattel security may be taken by the board, of a charge on live stock and other personal property.

(2) The aggregate of loans made to any one borrower under the provisions of parts I and II of this act shall not exceed, in those provinces of Canada where chattel security may be taken by the board, two-thirds of the appraised value of the land and buildings in respect of which security is taken and in any province where chattel security may not be taken sixty per cent of the said value and shall not exceed at any one time the sum of seven thousand five hundred dollars. The amount advanced under this section shall not exceed one-half of the amount advanced on the security of the first mortgage."

The principal effect of this amendment is to provide that in Quebec where we may not take a chattel mortgage, the position shall not be prejudiced on that account, and therefore we make an arbitrary figure of sixty per cent as against sixty-six and two-thirds per cent where we can take chattel mortgages.

Mr. REID: Why is it advisable to put chattel mortgages on farmers' stocks?

Mr. RHODES: It is merely for the purpose that in those cases where a second mortgage is advisable and the security might not be deemed sufficient, the farmer, if he so desires, could give a chattel mortgage which would bring the security up to a sufficient amount to enable the board to make the loan.

Mr. SPENCER: Will a chattel mortgage on stock be the only security on the second mortgage?

Mr. RHODES: No; it would be in addition to the mortgage on the realty itself, but without the chattel mortgage there might not be sufficient margin in the real estate to enable the borrower to borrow that amount of money which he might desire to secure.

Mr. STEWART (Edmonton): I must confess that last year when permission was received by the board to consider chattel mortgages as security, I could not understand the particular urge for taking this particular class of security in conjunction with mortgages. It is rather an unusual and, it seems to me, strange proceeding. A chattel mortgage will now be taken for a period of six years if it is included in the mortgage on the real estate. Was it the hope that by the inclusion of the chattel mortgage, this would increase the loan, or what was the purpose of including chattel mortgages?

Mr. RHODES: The purpose as I understand it was merely to enable a farmer who desired a second loan and who had not sufficient margin of security left in his real estate to furnish an additional security by way of chattel mortgage; that is all.

Mr. STEWART (Edmonton): My candid opinion is that it would be better if chattel mortgages were abolished completely; I think they are a great source of evil. People get into financial difficulties and sometimes have to chattel their securities to satisfy their creditors, but I have always detested this method. I do not believe it is good business and personally I doubt whether the inclusion of the chattel mortgage will not get a man into a position where there is no hope of his paying off the loan.

Mr. RHODES: I do not quarrel with the attitude taken by my hon. friend, but may I point out to him that while we have chattel mortgages, it seems to me it is far better that the farmer should be in a position to consolidate his security with the farm loan board than that there should be chattels left that might be open to be preyed upon by somebody else. The idea of including them was not that we desire to take them, but merely to enable a needy farmer to utilize them for the purpose of bringing the maximum loan up to the figure he desires.

Mr. REID: But the information given to me is that there have been instances where in the opinion of the board the value of the land having gone down they asked the man to put up further security without his receiving any more money. Say he had a $4,000 loan, made when land was valued at $100 an acre; the information given to me at a meeting I attended was that the board said the value of the land had gone down so they asked these farmers to put up further security. If that is correct I think this chattel mortgage question should be looked into still further.

Mr. RHODES: I do not know that we need stress this matter of chattel mortgages. Personally I do not attach great importance to it, but so far as the provision goes I understand it is to the advantage of the farmer. I cannot conceive of a case in which the board would wish to make a loan on the security afforded by the chattel mortgage, but the purpose of this is to help a farmer to bring his total loan up to the figure he desires.

Mr. REID: I do not think the minister has grasped my point. I am speaking of a case in which the value of the farm had gone down and they told the farmer he would have to put up more security. If that is being done it is an iniquitous practice which should be stopped.

Mr. RHODES: I am advised that practically the only instances in which the farm loan board have asked a farmer for security by way of chattel mortgage, where they held a mortgage on his farm which was in arrears, were not with the object of further involving the farmer in debt to the board but to protect him against attempts on the part of other creditors to cripple him by securing a mortgage on his chattels. The farm loan board took it for the purpose of consolidating his indebtedness to the board itself. I give that statement to the committee precisely as it has been given to me by the commissioner of the farm loan board. Personally I know no case where the board has attempted to get additional security to the prejudice of the farmer, but only in the circumstances I have referred to.

Mr. STEWART (Edmonton): If chattel mortgages are to be taken I prefer to see the board have the right to take them; I am quite in accord with that idea. But I object to the system itself, and if I were back in a provincial legislature I would do my best to

abolish the taking of chattel mortgages. Once a man gets in the position where he has to give a chattel mortgage he is pretty near bankruptcy. He is apt to get into the hands of what we designate as loan sharks, at excessive rates of interest, and very few in such a position, from my observation, are able to pay them off.

Mr. RHODES: I quite concur in the view of my hon. friend. But he will realize that the question whether or not there shall be chattel mortgages is one for the provinces and therefore is something we need not concern ourselves about.

Mr. BLAIR: Is any provision made for examination in order that a farmer who is sold out may have an opportunity later to go back to the land and start again?

Mr. RHODES: Any such provision that exists in the provinces will still obtain. That is the only answer that I can give.

Mr. PERLEY (Qu'Appelle): I am very much in accord with the amendment the minister has proposed, as to lending up to two-thirds of the value; I think that is sufficient. But in my province and in the particular part I represent there are many farmers operating a section or a section and a half or two sections. Assume that the appraised value is $20 an acre; two-thirds of that would figure out at $8,500 on a section. So that if the aggregate is limited to $7,500, there will be many farmers whose needs that would not meet. Within the last ten or fifteen years loans have been made in that part of the country based on valuations of $30 to $40 an acre, and in many cases loans of fifty per cent of that value have been made. I think two-thirds of the appraised value is sufficiently high, but many farmers will be unable to take advantage of the act because $7,500 would not be enough on the larger farms. Many farmers have loans of $10,000 on a section of land, and the moral risk in many of those cases is just as good as it would be for $7,500 on a smaller area. Many farmers out there who are farming a section or more are better farmers than those working on three-quarters of a section. Does the minister not think that that limit might be increased if the security is there?

Mr. RHODES: It is a question of policy. The idea we had was that a greater service would be done by helping a larger number of small farmers rather than by using up the amount available in a smaller number of large mortgages. While no doubt there will be cases where worthy farmers will suffer by not being able to secure a larger loan, on balance I have no doubt that a greater public service will be rendered by spreading the money over a larger number of small loans. After all, while there are conditions peculiar to the prairies, we must remember that this legislation is applicable to all Canada, and in the great majority of provinces when you get beyond $7,500 you are dealing not with a farmer but with an enterprise. So on balance it was felt that we could not go beyond a maximum of $7,500.

Mr. GOTT: I represent probably the most diversified agricultural section of Canada. There are some farmers in the riding I have the honour to represent who would be delighted with the opportunity of getting a loan of $10,000. I ask the minister if he could not make the maximum $10,000 rather than $7,500.

Mr. RHODES: When you set a figure there will always be border line cases. I do not see that I can usefully add anything to what I said a moment ago in reply to the hon. member for Qu'Appelle.

Amendment agreed to.

Section as amended agreed to.

On section 18—When title transferred to board.

Mr. BARBER: In our province I think the trouble was very largely with the administration. The man in charge in several cases that have been brought to my attention would go to someone who had a loan and was unable to meet his payments, and say to him: "You had better give me a quit claim, and perhaps next year or the year following you will be in a position to redeem it." I received a letter to-day from a man who bought land at about $125 an acre when times were good; he cleared sixty-five acres of bush land, built his fences and buildings, and borrowed money from the board. Apparently last fall the man in charge secured from him a quit claim deed. I quote from the letter:

> I asked the farm loan man "how about going before the receiver appointed by the government?" and he asked me what I owed besides the farm loan board? I told him the feed and grocery bill for the month. He said it can't be done, because you have already given a quit claim to the board.

Apparently there is no hope for that man, although when he gave the quit claim deed he understood that he would have a chance to redeem it in some way.

Mr. RHODES: I am advised by the farm loan commissioner that in a number of cases farmers have voluntarily come to the board

and said, "I cannot pay" and have offered quit claim deeds which the board has accepted. In some cases the board has turned around and leased the farm to the farmer in question, and I have not the slightest doubt in the world that, apart altogether from documentation, the board would be only too happy to place the farmer in his old position in the event of his being able to redeem his security. In this connection it must be borne in mind that during the whole period the farm loan board has been in operation there have been only nineteen foreclosures.

Section agreed to.

Section 19 agreed to.

Mr. RHODES: I have an amendment that will be section 2 (a). That is the definition of a farmer, and my hon. friend from East Edmonton thought the definition I moved, which was the definition contained in the Farmers' Creditors Arrangement Act, was restrictive if anything in the latter part. That amendment read:

> Farmer means a person whose principal occupation consists in farming or the tillage of the soil.

I am quite content that the words "or the tillage of the soil" be dropped. The definition then would read:

> Farmer means a person whose principal occupation consists in farming.

If that is agreeable to the committee I am quite content that the amendment should be in that form. I give my view with some diffidence because it is more or less a layman's view and the legal members of the committee may think otherwise, but my impression is that the simple definition will give the broadest possible scope in interpretation of the word farmer. I therefore move that the amendment read:

> Farmer means a person whose principal occupation consists in farming.

Mr. STEWART (Edmonton): I wonder if the minister has considered how widely that may be interpreted by the board, and what a great deal of difficulty may be entailed. I never was more struck with the wisdom of the provision of the old act than when discussing the matter with the chairman of the board some years ago. If I remember correctly the provision was that a man had to be a farmer living on his farm and cultivating it himself. Under this new definition I can see that a man may not have any other occupation than that of a dealer in farm land. He might be in the position in which I happen to be. I have a few farms and no other occupation, unless you call this an occupation. I do not know what you would call it.

Mr. HACKETT: It is a job.

Mr. STEWART (Edmonton): But as long as I have no other occupation I can go on purchasing land and renting it and securing mortgages from the farm loan board; at least if that is not so I misunderstood the statement of the minister. I do not think that is the intention at all, with all due respect to my colleague from East Edmonton. I can foresee a good deal of difficulty for the board in dealing with this matter. The maximum loan is $7,500, and I agree with the minister that that is quite enough; in fact I think it is a little too much, but if you confine the loans to the men actually operating farms and living on them I think you will be on much safer ground.

Mr. RHODES: There would be much to be said in favour of the view just expressed by my hon. friend from West Edmonton if it were not for the fact that there is another safeguard in the act we are now amending. I will read subsection (c) of section 7 of the act:

> Loans under this act shall be made only to farmers actually engaged in or shortly to become engaged in the cultivation of the farm mortgaged and whose experience, ability and character are such as to warrant the belief that the farm to be mortgaged will be successfully cultivated—

So the definition must be read in conjunction with that subsection. In the last analysis, however, I submit to the committee with all deference that the object of this bill is to provide loans to farmers who are farming. You may put in the act whatever verbiage you choose but we must depend upon the good judgment of the board itself in interpreting not only the actual definitions but in selecting the class of men to whom mortgages should be granted. In the circumstances I do feel that we have sufficient protection, and in saying that I was quite willing to accede to the suggestion of the hon. member for East Edmonton, which was also subscribed to by my hon. friend for New Westminster—

Mr. REID: It is not wide enough yet.

Mr. RHODES: I must say to my hon. friend that I could not conceive of a wider definition.

Mr. STEWART (Edmonton): Neither could I.

Mr. REID: With all deference to the minister's opinion it is all right as long as the board interpret it as the minister has suggested, but the trouble is that when the act goes through the house and is passed on to the board they look up what it says and they say, "Yes, we can lend to farmers or those farming," and then they say, "Let us see what farming is," and they look up another act and they say that farming means stock raising or growing grain, so where does the poultry man come in? He is not a farmer, according to the board. I tell you this is serious. I think the viewpoint of the minister is the viewpoint of the committee; the act is intended to make loans as freely as possible consistent with safety, but the trouble is that this class of farmer will not come under the act with this present definition. As long as that definition remains the great class of poultrymen, who are carrying heavy burdens and who are just as anxious to be assisted as are the men raising cattle or tilling the soil, cannot secure relief. Does the minister believe the poultry farmer with large assets could come under the present act?

Mr. RHODES: I must give the same answer to my hon. friend that I have given on three or four other occasions; that is not only that I am not competent but that it is not incumbent upon me to attempt to define what may constitute a farmer in an individual case. Parliament says this is intended to be an act to provide for loans to farmers. The question who is a farmer must depend upon the interpretation placed upon the act by the board. While in practice and in its application my hon. friend from New Westminster may not be satisfied with that interpretation I do say to him with deference that it would be impossible to get any definition of a farmer wider than is contained in the amendment I have proposed.

Mr. REID: I would not protest so strenuously but I know in the past the board have set their faces against that class of farmer. They say he does not come under the act. I hold the view that if no other change is made the class I have in mind will be excluded.

Mr. NEILL: Would the chairman read the definition?

The CHAIRMAN (Mr. Gobeil): It is as follows:

That Bill No. 15 be amended by inserting the following section after section 1 thereof:

2. Section 2 of the Canadian Farm Loan Act, chapter 66 of the revised statutes of Canada, 1927, is amended by striking out paragraph (d) thereof and substituting therefor the following,

[Mr. C. Stewart.]

(d) "Farmer" means a person whose principal occupation consists in farming.

Mr. COOTE: In my view it would be a gross mistake to have a restrictive definition. I should like to see the matter left in the hands of the board. I have in mind a man who has a section of land lying very close to town, land which in ordinary times would be valuable. I believe there is about $14,000 standing against it, and the man who holds the claim against it has said to the owner, "If you can get me the cash I will take fifty per cent of what you owe me, because I need the money." The man who owns the property is about seventy years of age, is living in town, and has a tenant on the farm. I should like to see the definition of the word "farmer" left in such a way that it would be within the option of the board to make a loan. In the case to which I have made reference the man is too old to take over the operation of the farm, and it is much better for him to have it in the hands of a tenant. The tenant could not possibly buy it and obtain a loan. I believe it would be wise to leave the definition as wide open as possible, so that these matters may be left to the decision of the board. If we have the right kind of board I believe justice would be done, and they would be in a better position to deal with the needs of each farming community.

Mr. RHODES: I believe the amendment in its present form is as wide as it can be made; certainly it is in the least restrictive form. It provides for the very privilege which the hon. member has in mind, namely that it leaves the widest possible discretion in the board to decide whether or not a person making application for a loan is or is not a farmer within the spirit of the act.

Section agreed to.

The CHAIRMAN (Mr. Gobeil): Shall I report the bill?

Mr. MOTHERWELL: Before the bill is reported may I ask the minister if he would consider the advisability of having prepared an office consolidation of last year's amendments, this year's amendments and the original bill for the convenience of the layman. The numbers, sections, subsections, clauses, and so on, are most confusing to all of us. The numbering of the sections in the two amendments and in the original bill of 1927 are very difficult to follow, and one finds it almost necessary to call in the aid of a lawyer to disentangle them, something which in these days one cannot well afford to do.

Further than that, I believe a good public purpose would be served if the regulations were attached to this office consolidation. I make the suggestion because I believe what I have suggested is done frequently in connection with bills affecting the Department of Agriculture; I am not sure whether or not it has been the practice in the Department of Finance.

Mr. RHODES: The suggestion of the hon. member is most excellent. It was my intention to have the office consolidation prepared at the earliest possible moment, and that will be done. I cannot be sure however as to whether or not the new regulations will be attached, because my purpose is to have the office consolidation prepared as soon as possible. However if the regulations are not ready in time they will be sent out as speedily as possible thereafter.

Bill reported.

SUPPLY

PUBLIC WORKS

The house in committee of supply, Mr. Gagnon in the chair.

Public buildings—Nova Scotia—
Bridgetown—public building, $30,000.
Halifax — maintenance of immigration quarters, $25,000.
New Waterford—public building, $44,000.
Oxford — public building, $30,000 — Total, $129,000.

Mr. ELLIOTT: I should like the item of $30,000 for a public building at Bridgetown to stand. One of the hon. members from Nova Scotia is interested in this list of items, and as he is not here I should like to have it stand.

Hon. H. A. STEWART (Minister of Public Works): That is quite satisfactory.

Item stands.

Maritime provinces generally — Dominion public buildings—improvements and repairs, $50,000.

Mr. ELLIOTT: This is an item I wish to refer to because it represents a set of items of which this one is typical. It is a vote for improvements and repairs to dominion public buildings, and the vote is increased from $40,000 last year to $50,000 this year. In view of the money that is being expended under the Public Works Construction Act I submit we should not be increasing year by year the amount that can be spent under a special vote of this kind. It places upon the officials of the department and the minister the obligation to meet demands that would not be made upon them if there were not these amounts placed in the estimates which they can allocate anywhere. In speaking of that I refer generally to items of this kind. Public works estimates should be kept down as far as possible to what are actually known as public works estimates which are passed on by this committee of the House of Commons, instead of their being passed on by the officials of the department without the members of this committee knowing the places to which those amounts are going.

Mr. STEWART (Leeds): The objection, if I may so term it, raised by my hon. friend is met I think by the practice of the department in years gone by. The procedure is that the chief architect obtains from the district architects from time to time estimates of the amounts likely to be required for repairs to the buildings in the different districts; he assembles those amounts and in the light of experience over a period of years determines what is a fair and reasonable amount to ask for this work. My hon. friend will agree that it is impossible to foresee everything that may happen. A roof may be found to be leaking, a heating system may fail, or any other part of a building may require attention. As my hon. friend knows, during the last three or four years the necessity for economy has curtailed the amounts of these votes. In 1930-31, for instance, the appropriation was $55,500 for the corresponding item, and our experience has been that in the past few years we have not had quite as much at our command as the circumstances required. For that reason this vote has been slightly increased.

Mr. ELLIOTT: We shall perhaps be able to facilitate the work of the committee if we get as much information as we can beforehand in connection with the works that are being carried on under the Public Works Construction Act. I understand that under that act a large amount of money is given in a lump sum just as this is, without being allotted to any particular work, and that out of that lump sum large scale improvements have been made this year in order to get the buildings in as good a shape as possible. A much larger amount has been at the discretion of the minister under that act during the last year than ever before, and for that reason there is much less necessity for any increase in these lump sums in the estimates this year.

There are certain things that I think this committee should perhaps reserve until we discuss the Public Works Construction Act. I

do not know when the minister expects to bring down further estimates, but it is pretty difficult to know exactly how these work into one another. I think about $27,000,000 is allotted to the Department of Public Works out of the $40,000,000. I believe that is approximately correct. Perhaps the minister could tell us how much of that has been expended up to the present time, and the amount that is committed at the present time.

The Minister of Finance tabled a statement showing all the commitments in the various departments under the Public Works Construction Act up until January 31 last. But of course this is the time of year during which many commitments are being made. I should be glad if the minister could furnish the committee as soon as convenient with the commitments that have been made under that act up to the present, and the amount actually expended up to the present. He has given a statement of items that were specified under the Public Works Construction Act, but these do not deal with the two items of $2,000,000 and $2,500,000 under which certain commitments have been made. I want in that connection again to stress the objection I make with regard to these lump sums generally. Hon. members will remember that in the closing days of last session an amendment was made to the Public Works Construction Act providing for the expenditure of $2,500,000 for constructing other buildings. I should like the minister to let us have details of what other buildings were constructed under that, the extent to which tenders were obtained by public advertisement, and the extent to which tenders were obtained merely by inviting them.

I have had the opportunity of looking over a number of the orders in council that have been tabled. I want here to say to the minister that for his own protection and for the protection of the treasury the clause that was put into the Public Works Construction Act against the most strenuous objections that could be made from this side of the house, doing away with the necessity for advertising tenders publicly in cases over $5,000, has worked a hardship, as I think he will agree, not only upon him and his officials but upon the public treasury. I do not think it is a good thing to have tenders let in that way for buildings and harbours and rivers, involving quite considerable sums. Will the minister be good enough to furnish us at as early a day as he can with the particulars to which I have referred? I do not intend at the moment to take up the time of the committee with any further protest except in regard to each of these lump sum items. I think the increases in them are all wrong. The principle is wrong. I am told, and it is quite apparent from some of the orders in council that have been passed under the Public Works Construction Act, that buildings are being erected and sites purchased for buildings without this house passing upon the advisability of placing those buildings there or of purchasing those sites. I do not think it can be defended, and it is contrary to all the principles of public works construction. Take any building, I do not care in what province it may be; this house has a right to pass upon it. It should not be passed upon by the officials of this department nor by the minister nor by council without that item having been passed upon in committee of the whole house, as has been the practice since confederation until within the last year or two.

Mr. ROSS: I assume that this amount is here for the general maintenance and upkeep of public buildings. In the last four or five years it has been annually decreasing until there was no money to maintain these buildings. Now I imagine that anything that was in order under the regime of the ex-Minister of Public Works may be commended to the present minister, and when we look up the same item in the years when he was minister what do we find? I would commend to the minister the amount that was then voted under my hon. friend opposite. These buildings are old and they need a little more money than they naturally did during his tenure of office, and if you look at the item in 1928, 1929 and 1930 you will see that it was at one time $102,000 as compared with $75,000, and in the last year under my hon. friend it was $110,000, which was an increase. I suggest that the minister make it equal to the amount that was voted under my hon. friend opposite; for surely the ex-minister cannot be wrong. He could not make a mistake, and I would commend to the minister the increasing of the vote to $110,000 as it was under the hon. gentleman.

Mr. ELLIOTT: That would be very satisfactory, I am sure.

Item agreed to.

Quebec—
Amqui—public building, $19,000.
Asbestos—public building, $8,000.
Bagotville—public building, $25,500.
Dolbeau—public building, $22,000.
Dominion public buildings — improvements and repairs, $100,000.

Grosse Isle quarantine station — improvements, alterations and repairs, $7,800.
Montreal — instalment on purchase of armoury, $15,200.
Montreal—addition to 4th Division Engineer's armoury, $7,000.
Quebec citadel—improvements and maintenance, $15,000.
Quebec examining warehouse—repairs and renewals, $1,200.
Ste. Anne de Beaupré—public building, $25,000.
Westmount — instalment on purchase of armoury, $12,700.

Mr. CASGRAIN: Under this item will the minister allow us to ask a few questions regarding public buildings that are being constructed in Montreal? I have reference to construction work that is going on there in connection with a public building. I understand that the contractors had a contract for putting up the building, but recently some other contract was given in connection with part of the foundation. Why was another contract given?

Mr. STEWART (Leeds): I have no objection to giving the information though it does not relate to this item. I did hope that we might be able to arrange some time to have a discussion of the Public Works Construction Act and everything appertaining to it in relation to some one item. However, as my hon. friend has asked this question I have no objection to giving the information. A contract was let after public tenders had been called for for the construction of this building, and the contract was awarded to the parties submitting the lowest tender. The contractors undertook the work and encountered some unforeseen difficulties in connection with a very heavy flow of water. I believe they were pumping out of that foundation between 300,000 and 400,000 gallons of water daily. On account of this very heavy flow they experienced difficulty in getting their foundations in and they contended that this was not contemplated nor within the provisions of that contract. They therefore held that they should have an extra for this unexpected development. Some delay ensued, the department taking the position that it was not clear whether this was provided for by the contract or not. Notice of default was served on the contractors and some delay occurred. Then they proposed that the work should be undertaken by them through a subcontractor on a cost plus basis. The department did not accept that suggestion. Finally the department took over and out of the contractors' hands the sinking of the caissons and the putting in of the foundations and certain work that goes with it, and called for tenders for that work from those who had tendered for the construction of the building. An agreement was arrived at with the contractors as to the amount to be charged against them for the work which they would have had to do under the method they intended to carry out, and for the work that was being done incidentally in connection with parts of work that had to be done at the same time, and this was deducted from the amount of the tender for this work, the caissons and the foundations. The contract was awarded to Anglin & Norcross for that part of the work.

Mr. CASGRAIN: What is the amount?

Mr. STEWART (Leeds): I think the figures are about $257,000 less $89,000. That is my recollection.

Mr. CASGRAIN: Before tenders were called for by the department, had borings been made to find out the condition of the soil, and did the contractors tender—the main contractors—on the basis of a report made by the department?

Mr. STEWART (Leeds): Certain borings were made and the information procured was made available to the contractors.

Mr. CASGRAIN: And they based their main tender on the borings as made by the department?

Mr. STEWART (Leeds): On the information available at that time, which they say did not disclose the true condition.

Mr. CASGRAIN: Because they found out afterwards that the borings did not indicate what the soil was like in various places.

Mr. STEWART (Leeds): The borings indicated what was found there, but when they opened up the foundation there was this unexpected heavy flow of water.

Mr. CASGRAIN: I see under this vote 102 an item of $25,000 for a public building at Ste. Anne de Beaupré. Was this public building requested by the municipality or by the people in the village?

Mr. STEWART (Leeds): I am informed that a petition was received as far back as 1914 from the residents of the town, and then a request was received in 1924 from my hon. friend—

Mr. CASGRAIN: Thank you.

Mr. STEWART (Leeds): —urging the construction of the building. Again in 1926 a similar request came from my hon. friend, and there have been requests since then.

Mr. CASGRAIN: I thank the minister for the information he has been kind enough to give. I am glad to see that the government in that regard is following in the footsteps of its predecessor and also continuing the good work that we had started to do at that time. Could the minister inform the commitee as to the site on which this post office is to be built and when the first preliminary works were started for its erection? A certain amount, I think $4,000 or $5,000, was voted to purchase a site for this public building, but on account of difficulty in securing a suitable site in the central part of the village, the project had to be abandoned. Has a site been bought and, if so, from whom?

Mr. STEWART (Leeds): A site has not been acquired, neither has one been selected.

Mr. CASGRAIN: Has the department now in its possession any offer for sale of a site for this public building?

Mr. STEWART (Leeds): We have not on record anything indicating any suggestion as to the site.

Mr. CASGRAIN: Nobody has made an offer to the department for the sale of any building or lot or houses of any kind?

Mr. STEWART (Leeds): We have not yet invited any offers and I am not aware of any voluntary offers of sites.

Mr. CASGRAIN: I was just asking the minister whether he had received any suggestions by persons that they were willing to dispose of their property in favour of the government, of course for a consideration, as a proper site for the erection of this public building.

Mr. STEWART (Leeds): As my hon. friend knows, he has now spoken of a matter that often presents great difficulty. Sometimes it is one side of the creek as against the other; sometimes it is main street as against some other street and—

Mr. CASGRAIN: There is only one main street there.

Mr. STEWART (Leeds): —when we go to select a site, we often find conflicting claims or advantages. Possibly my hon. friend might make a suggestion as to a site. If he has any information, he might let us have it.

[Mr. Casgrain.]

Mr. CASGRAIN: I shall be pleased to see the minister and discuss the matter with him if he would like me to do so.

Mr. CARDIN: Why not discuss the matter in the open?

Mr. CASGRAIN: I would do it in the open, but I would rather take it up with the minister in the same way as the other negotiations were carried on, because I think they were very fruitful.

Mr. STEWART (Leeds): On which side of the street is my hon. friend?

Mr. CASGRAIN: There is only one main street. As to which side of the street, that depends. I believe there are in the records certain recommendations that were made at that time and places suggested as suitable and appropriate sites. I do not know whether the side of the street may not now have been changed and that is why I asked the minister whether he had received any of those requests. If he is not in a position to disclose all the facts to the committee now, I might be able, if he has any trouble, to help him at a later date.

Mr. JEAN (Translation): Mr. Chairman, I do not want to let this item pass without calling the attention of the Minister of Public Works (Mr. Stewart) to the fact that the estimates this year do not contain any amount for the Maisonneuve post office. Five or six years ago, the government had made arrangements for the purchase of a building in Maisonneuve and the intention was to establish a post office in that building. However the builidng is still occupied by the city of Montreal. Two years ago, I asked for the production of all letters relating to this affair; the city of Montreal was prepared to leave the building if the Dominion had been willing to take it over and pay the purchase price. I understand the contract was signed by both parties. All there is to do now is to make the necessary alterations to the building in order to convert it into a post office.

Two years ago, if I remember correctly, the Minister of Public Works said in reply to my remarks that the necessary alterations would be made as soon as the city of Montreal would be ready to hand over the building. I think the city is prepared to hand over the building at any time so that a post office may be opened provided the government pay the purchase price.

Consequently, I would ask the minister to tell me if the government has the intention

to put in the estimates at the present session the necessary amount to carry out the agreement of six years ago.

Mr. STEWART (Leeds): I shall endeavour to give my hon. friend all the information as I understand he has requested it. An appropriation was made for the purchase in Maisonneuve of a building which was the city hall of that municipality. It is now in the occupation of the Quebec government—

Mr. JEAN: It was acquired by the city of Montreal.

Mr. STEWART (Leeds): —as a cancer clinic. For some time the department has been ready to take over the building for the purpose for which it was to be acquired, but the provincial government or the city of Montreal have decided to retain its use until the university buildings are completed when the clinic will be moved into them. My hon. friend is naturally curious to know why there is not in the estimates anything in respect of this building. The reason is that a cheque was issued for the purchase amount; the cheque is being held and is available as soon as the building can be turned over and we can obtain possession of it. Therefore it is not necessary to have an item in the estimates. We have not had anything definite as to when we shall be able to obtain possession of the building. I believe the construction program on the university has been halted and pending the completion of it, I presume matters will go on as they are. When they are in a position to give us the building, we shall be in a position to give them the cheque.

Mr. JEAN: If the minister will look in his correspondence, he will find that the city of Montreal is ready to hand over the building and to take the hospital out of it if the government is ready to pay for the building and to make the necessary repairs to convert it into a post office.

Mr. STEWART (Leeds): I think there is some overriding control on the part of the province of Quebec in the use of the building.

Mr. JEAN: I do not think so.

Mr. STEWART (Leeds): Well, whenever they are ready to give us the building we are ready to hand them our cheque.

Mr. JEAN: All right.

Item agreed to.

Public buildings—Ontario—
Belleville public building—addition to site, $17,500.
Belleville—new gun shed, $9,600.
Burlington—public building, $35,000.
Campbellford—public building, $35,000.
Dominion public buildings — improvements and repairs, $125,000.
Dunnville—public building, $60,000.
Fenelon Falls—public building, $25,000.
Gananoque — gun shed and caretaker's quarters, $11,700.
Hamilton—addition to armoury, $75,000.
Kingston—machine shop, $35,000.
Kingston—addition to armoury, $12,000.
Kingston — R.S.A. and brigade building, $52,000.
London—Royal school building, $25,000.
Meaford—public building, $40,000.
Perth—purchase of property for armoury purposes, $6,500.
Toronto—instalment on purchase of armoury, $29,400.
Toronto postal station "A"—improvements, etc., $5,500.

Mr. ELLIOTT: Would the minister tell me what the amount of $35,000 for Campbellford public building is for?

Mr. STEWART (Leeds): This is to provide for the erection of a public building for postal purposes on a site purchased in 1912 at the corner of Mill and Front streets in the town of Campbellford; $30,000 for the building; $3,000 for fittings; $1,000 for inspection and $1,000 for grading and sidewalk.

Mr. ELLIOTT: Is it the intention to have public tenders called for in connection with this building?

Mr. STEWART (Leeds): As this comes under the regular estimates of the department, it is subject to the provisions of the Public Works Act, and public tenders will be invited.

Mr. ELLIOTT: I see in the Ontario list a new gun shed at Belleville, $9,600; gun shed and caretaker's quarters at Gananoque, $11,700; an addition to the armoury in Hamilton, $75,000; Kingston machine shop, $35,000. Is the last item I have mentioned in connection wih the military college?

Mr. STEWART (Leeds): These buildings are all requested by the Department of National Defence, the one for Kingston being for the erection of a machine shop. It is necessary to enable major repairs and overhauling of guns and equipment to be undertaken. There is quite a military establishment there.

Mr. ELLIOTT: What about the royal school building at London?

Mr. STEWART (Leeds): This item is to provide for the erection of a school building for the military district of London. At present there are no proper lecture rooms for schools of instruction. Spare barrack rooms

and so on have been utilized. The arrangement is most inconvenient and unsatisfactory in view of the large number attending these courses.

Mr. ELLIOTT: Then we have Perth, purchase of property for armoury purposes, $6,500; instalment on purchase of armoury at Toronto, $29,400. This looks like an enormous proportion of expenditure devoted to armouries and matters of that kind. How is it that in the statement we have received from the Minister of Finance showing expenditures up to December 31 under the Public Works Construction Act, we find that $2,530,000 of the $40,000,000 was allotted to national defence, and of that the commitments outstanding on December 31 were $535,824? Why is it that the Department of National Defence are building the structures represented by that $2,530,000 while the Department of Public Works are constructing all these other buildings?

Mr. STEWART (Leeds): The buildings undertaken by the Department of National Defence, as my hon. friend remembers, are comparatively few, and the expenditures were comparatively large under that act. These are minor ones that they have requested from time to time since that work was undertaken.

Mr. ELLIOTT: I think the minister has not quite got my point. Are public works and national defence both functioning in the construction of buildings for military purposes?

Mr. STEWART (Leeds): That takes us back to the provisions of the Public Works Construction Act. My hon. friend will recall that there is a provision in that act that the works undertaken were not to be under the control of any particular department, but should be assigned from time to time to such department as the governor in council might decide. A construction program of $39,000,000 is fairly large, and it was thought well that the work should be apportioned. Certain undertakings were allotted to national defence and certain to public works. The public works department have had allotted to them construction to the amount of $25,969,600. Certain undertakings were allotted to the Department of Marine, certain others to the Department of National Defence, certain others to the Department of the Interior, the Department of Indian Affairs, and one or two to the Department of Railways and Canals. The orders in council providing for that distribution have been laid on the table, as my hon. friend knows. I should be pleased to procure and submit to the committee a list of the undertakings so assigned. I think my hon. friend, with his experience in that department, will agree that a program of $39,000,000 added to the regular program of public works would be pretty heavy. It was thought that in view of the special conditions and circumstances it might well be apportioned as has been done.

Mr. ELLIOTT: Of the $26,000,000 allotted to the public works department, up to December 31 only $3,633,000 has been expended, and $8,349,000 committed. That would not be any great strain on as efficient a department as that over which the minister presides. And my question is still unanswered; why it is that a large amount of construction is being undertaken by the Department of National Defence? I take that as an example, because I see it is largely national defence appearing in public works. Why is it that what is in this list is allotted to public works, while $2,530,000 is allotted to national defence? Has it been found that the $2,530,000 was not sufficient to do what is required for national defence? They expended only $535,000 up to the end of the year.

Mr. STEWART (Leeds): The expenditure shown in the statement filed by the Minister of Finance was up to the end of the year. As the hon. member well knows, the actual expenditures up to any date do not represent the full amount that has been earned up to that time. For example the estimates are back perhaps a month, and after the estimates are in and approved by the architects and engineers they have to go through all the routine of this department and of the Department of Finance before being paid. There is involved the preparation of plans and specifications, the publication of advertisements and so on, and the larger undertakings are just getting nicely under way. The expenditures made in the early months were in respect of repairs to buildings and the smaller undertakings with which we could proceed at once. As to the commitments, I can give my hon. friend some of the information for which he asked some time ago.

Mr. ELLIOTT: If I may interrupt the minister, I think he has misunderstood me, for he is answering everything except what I asked. I was asking if he could give any explanation as to why this large collection of works relating to military buildings should come under the public works department while apparently we have a national defence public works department functioning at the same time. Why this division?

Mr. STEWART (Leeds): These have not been assigned to the national defence department. The items that were assigned to them are some of those that appear in the schedule of the Public Works Construction Act. These items now in the estimates of course are not in that schedule, and they are coming in under the regular public works estimates where they would have been last year under ordinary conditions. They are just getting back home, that is all.

Mr. ELLIOTT: But is there not sufficient of the $2,530,000 left to meet them?

Mr. STEWART (Leeds): I presume not. I do not know exactly what expenditures the Department of National Defence has made out of its allotment.

Mr. ELLIOTT: It amounted to only $535,000 at the end of the year.

Mr. STEWART (Leeds): The actual expenditure is one thing but the commitments are another.

Mr. ELLIOTT: I am giving the commitment to the minister; at the end of the year it amounted to $535,000, which leaves them $2,000,000 not committed.

Mr. STEWART (Leeds): I do not know anything about how far their commitments extend or what they have in mind, but the specific expenditures we have here could not possibly be made out of that item.

Mr. ELLIOTT: Would the minister tell us why? What is the principle, if there is any principle, that decides which should come under national defence, under the Public Works Construction Act, and which should come under the Department of Public Works? Is there a principle that decides?

Mr. STEWART (Leeds): There is no underlying principle, but I think if my hon. friend will look at the items that we assigned to the national defence department he will find that they are principally military buildings.

Mr. POWER: The same thing applies to those assigned to the Department of Public Works, as my hon. friend from West Middlesex has just said. In the public works estimates this year for Ontario out of about fifteen items there are nine or ten which provide for the construction of military buildings. I have not added up the amounts, but I figure that more than fifty per cent of the amount voted for public buildings in Ontario in the public works estimates is for military buildings. I take it, therefore, that the Department of Public Works has some experience in the construction of military buildings. Now we come along to the Public Works Construction Act. For some reason which has not been made known to members of this house there seems to have been an arbitrary division, and it was decided that $2,530,000 of the $40,000,000 appropriated should come under the jurisdiction of the Department of National Defence in connection with military buildings. What I should like to know first is whether there is any principle, why a certain building is allotted to the Department of Public Works and another similar building is allotted to the Department of National Defence. When we asked the minister a moment ago why certain of these appropriations under the Public Works Construction Act were under the jurisdiction of the Department of National Defence he said presumably it was because they were for military buildings. Our reply is that in the estimates a large proportion of the buildings provided for are military buildings, but they come under his department. The minister must have some explanation, and I am sure he will be only too glad to give it to the committee.

Mr. STEWART (Leeds): I suppose my hon. friend will agree when I say perhaps it is well that they are coming back under the Department of Public Works, where they were before the Public Works Construction Act was passed.

Mr. POWER: Yes, where they always were.

Mr. STEWART (Leeds): The Public Works Construction Act of 1934 was special in its character. Included in the schedule attached to that act were certain military buildings, and it was thought that with the engineering staff the Department of National Defence has available they could well undertake the construction of those buildings, and we proceeded on that basis.

Mr. POWER: Does the minister think that is a good system?

Mr. STEWART (Leeds): Now we are coming back to the regular program of public works, which heretofore has been carried on by the Department of Public Works. With respect to the estimates this year we are just adopting the course that was followed in other years except with regard to the Public Works Construction Act which, as I have said, was a very large program and which was parcelled out as I have indicated.

Mr. POWER: Does the minister think it was a good system that was followed under the Public Works Construction Act?

Mr. STEWART (Leeds): I should say that we would have to await results and check up in order to see what has happened.

Mr. POWER: Has the minister any doubt about it? Apparently he must have.

Mr. STEWART (Leeds): I have no opinion to express.

Mr. POWER: Apparently the minister has some doubt, because he pointed with pride to the fact that we are improving the system by going back to the old method. Is that what I am to understand?

Mr. STEWART (Leeds): I did not say we were improving the system, but from my hon. friends' arguments I thought they would believe we were making an improvement, and that they would approve of the course we are adopting.

Mr. POWER: I am not arguing about that point at all. I am asking the minister, who after all has the job of telling the committee the why and wherefore of the different items in the estimates and of the policy laid down by the government, what is the policy. He tells me very frankly that the policy is that when the government feel like it they say the Department of National Defence shall carry on and when they do not feel like it they say the Department of Public Works shall carry on. There must be some reason for that. If my hon. friend from Temiscouata were here he would say even the government must have some method. They must have done that for some reason, and I think the minister owes it to the committee to tell us if there is any specific reason why the Department of National Defence now is undertaking works which for many years were undertaken by the Department of Public Works. Surely the Department of Public Works has efficient engineers.

Mr. STEWART (Leeds): I must return to the broad, general argument which I outlined at first, namely that this $40,000,000 program was a very heavy one and it was thought that the best results could be accomplished by distributing it among the different departments rather than by imposing all the burden on one department, which would have involved a heavy increase in staff. It was thought that in the national defence department they had adequate engineering services and staff; they felt competent to undertake the work, and that was done.

Mr. POWER: The minister should not talk about an increase in staff; he knows very well that in every order in council passed providing for the construction of a building, he also provided for an architect or inspector or some other official to look after the work, so they practically created a new staff in every constituency where they expected to win an election.

Mr. STEWART (Leeds): All I can say to my hon. friend is that if we had undertaken the whole of the program we would have required a very much larger staff.

Mr. ELLIOTT: The minister is usually reasonable, but may I call his attention to the argument he is now making. He is stating that an expenditure of $40,000,000 for public works construction is too much for the Department of Public Works to handle in one year. He has suggested that it was better to divide it up by giving $500,000 to the Department of Indian Affairs, $2,145,500 to the Department of Interior, $7,150,080 to the Department of Marine, $2,550,000 to the Department of National Defence, $26,378,589 to the Department of Public Works and $264,500 to the Department of Railway and Canals. He has stated further that it was wiser as the orders in council under the Public Works Construction Act indicate, to get outside architects to work on the construction of these buildings. He states that in order to help out at a time when there is an extensive building program, instead of increasing the staff of the Department of Public Works this government sets up small staffs in every other department to which any of the works are allotted. I submit that is a wasteful and unwise procedure and will prove most unsatisfactory. That argument was advanced by hon. members on this side of the house when the Public Works Construction Act was under discussion. If by placing all these expenditures back in the Department of Public Works, where they should be, the minister means that in this as in other matters they are seeing the light, then I should like to congratulate him upon the change.

Mr. STEWART (Leeds): So far as the Department of Public Works is aware there has not been any increase in the staffs of the other departments which have undertaken the construction of buildings. If there has been any increase it has been very slight indeed. There has been an increase in the staff of the Department of Public Works, and in some

cases outside architects have been employed to prepare plans. That has been done because it has been felt that architects have been greatly affected by the depression and need employment as much as any other class of employees. I believe that is not an uncommon practice because in my hon. friend's time outside architects were employed, and I believe in that connection no mistake has been made. I am not admitting any mistakes. The hon. member may think that all these works should have been done by the Department of Public Works. As I have said, however, we were not in a position to undertake all of them; we had not sufficient staff to do so and the arrangement I have described was made.

Mr. POWER: It seems to me that not very long ago very important and prominent members of this chamber were urging that departments should be consolidated so that the same kind of work could be done by the one department. We were told that it was an absurd condition to have the Department of Public Works doing dredging work, the Department of Marine doing dredging and the Department of Railways and Canals doing the same work. If I am not very much mistaken, in his radio sermons the Prime Minister stated he was going to reform the civil service, as well as the rest of us, and I believe he stated one of the items of reform was the consolidation of certain departments. At any rate I know he spoke about a new department of communications. I gathered he had some intention of consolidating the work of different departments so that it might be more efficiently carried out under one head. I have not the speeches of the Prime Minister before me, although I have given them considerable thought and contemplation.

An hon. MEMBER: They will be useful.

Mr. POWER: Yes; we will keep them, and if they are not expurgated by the careful hand of some of his friends they will be very useful. It seems to me he gave the impression that there was some proposal to consolidate departments in order to make the civil service more efficient. I suggest if there is any place where the efficiency could be improved it is in the present instance.

We are carrying on what are known as public works construction. For generations we have had a department of public works which in the main has functioned efficiently and is staffed by men who have had wide experience in construction. They have constructed harbours, breakwaters, marine works, works of the Department of National Defence telephone construction—

Mr. POULIOT: And this building.

Mr. POWER: And, as the hon. member for Témiscouata states, this very building, which is a credit to that department as well as to the people of Canada. But we are now told by the minister that the Department of Public Works could not expend $40,000,000. I hesitate to believe that the minister is serious when he makes the statement that he and his staff could not expend that much money.

Mr. ELLIOTT: He did not tell that to council, either.

Mr. POWER: The hon. member who was the former minister states he never told that to council. He has a staff composed of experienced men; he has had four or five years of personal experience. They have constructed every type of building from one end of the country to the other; they are in touch with contractors and people who supply material, and yet for some reason which has not been disclosed we find the Department of Marine is to expend $7,150,080, and other departments are to spend other amounts. If my information is accurate the amount to be spent by the Department of Marine will be spent on the construction of public buildings, works which are essentially those of the Department of Public Works. I suggest that if the minister does not consider he owes it to the committee, he at least owes it to himself and the officials of the department over which he presides with so much dignity to explain why his department has been slighted to the extent of not being entrusted with carrying out these all-important works. I suggest the explanation which has been given hitherto will not satisfy members of the committee.

Mr. STEWART (Leeds): The suggestion for the consolidation of departments is not a new one.

Mr. POWER: No, it is not.

Mr. STEWART (Leeds): It has been made from time to time and generally has proceeded from those in opposition. The departments in question have been carrying on activities which to a certain extent have overlapped. That was a difficulty which existed when this government took office, and except in the present instance having to do with this

special program it has not been exaggerated or extended. The hon. member has been complimentary to the Department of Public Works, for which I thank him.

Mr. POWER: I expect to need them soon.

Mr. STEWART (Leeds): In general I agree with his statements, but I must repeat that $40,000,000 added to our regular program made a very heavy expenditure to undertake, and it was thought advisable to distribute it. That was the reason it was distributed.

Mr. COOTE: Could the minister tell the committee how much was spent each year for the last six or seven years for public works? It does seem to me we would not have to go back very far to find a time when the government had a program equalling almost $40,000,000.

Mr. POWER: It was $38,000,000 in 1929-30.

Mr. COOTE: I think the government has made one of the greatest mistakes of its life in not having a program of forty or fifty million dollars for the construction of public works every year during the last five years. We have been going through a depression with much unemployment, particularly in the construction industry, and it would have been an appropriate time to construct more public buildings. I do not know whether the minister has the figures available, but if he has I wish he would give them to the committee—the approximate amount which has been voted for public works each year during the last six or seven years.

Mr. STEWART (Leeds): I have not the figures here as to the estimates and expenditures for the last four or five years, but they have been severely curtailed. I think they have run from twelve to fifteen and sixteen million dollars, and possibly as low as ten million. On other occasions they have exceeded, I think, thirty millions.

Mr. COOTE: Could the minister tell us, if not now perhaps at some other time this session, what is the total value of the armouries and other military buildings under construction at the present time both by his department and by the national defence department?

Mr. STEWART (Leeds): That would involve the obtaining of the information from the Department of National Defence. It is not available to-night; however, I shall endeavour to get it for my hon. friend.

[Mr. H. A. Stewart.]

Mr. ELLIOTT: There were some further particulars I asked the minister for, and I assume that with his usual courtesy he will provide them.

Mr. STEWART (Leeds): Yes.

Mr. ELLIOTT: I suggest an item should stand under which we could discuss fully the Public Works Construction Act. Perhaps the minister would consent to item No. 108 which is a vote for public works generally, standing for that purpose. In speaking to him I realize that I am speaking only to the minister of one of the six building departments now functioning under this government, but as his is the main building department I wonder if it would be asking too much to ask him to obtain the same information from the other departments in connection with construction work under the Public Works Construction Act.

Mr. STEWART (Leeds): I would prefer that the minister responsible for the expenditure should give those details and explanations. It would be more regular and I think would be productive of better results.

Mr. ELLIOTT: That is not unreasonable, and will be satisfactory on the understanding that item No. 108 be allowed to stand.

Mr. STEWART (Leeds): Yes.

Item stands.

Public buildings—Manitoba—
Dominion public buildings — improvements and repairs, $25,000.
Elkhorn—public building, $22,000.
Rivers—public building, $12,000.
Russell—public building, $22,500.

Mr. HOWDEN: Would the minister give the details of these improvements and repairs to dominion public buildings in Manitoba?

Mr. STEWART (Leeds): The sum of $25,000 is required for renewals, improvements and repairs during the fiscal year 1935-36 in connection with the dominion public buildings in Manitoba. An increase of $10,000 in the appropriation was asked for by the chief architect after a report had been received from the district architect.

Mr. HOWDEN: That amount is for improvements and repairs to buildings that have already been provided?

Mr. STEWART (Leeds): Yes, repairs, alterations and improvements.

Mr. WEIR (Macdonald): What is to be built at Elkhorn?

Mr. STEWART (Leeds): The appropriation is for the erection of a public building on a site situated on the north side of Richill avenue for post office and militia purposes.

Mr. POULIOT: In what constituency?

Mr. STEWART (Leeds): In the constituency of Brandon.

Mr. WEIR (Macdonald): What are the details of the public building at Rivers?

Mr. STEWART (Leeds): It is to purchase a site and construct a building for postal purposes. It will be a one storey and basement brick structure.

Mr. WEIR (Macdonald): What is to be built at Russell?

Mr. STEWART (Leeds): This is for the purpose of a site and erection of a building for postal purposes. It will be a one storey brick structure.

Mr. ELLIOTT: Did the minister find any necessity for any public building in Manitoba represented by any member sitting on this side of the house?

Mr. STEWART (Leeds): I am not sure that I have had requests from any hon. gentleman on that side, but I have found the necessity for a building down in Prince Edward Island.

Mr. ELLIOTT: Well, we are discussing Manitoba. Apparently the minister is much better at answering questions he is not asked than in answering those he is asked.

Item agreed to.

Public buildings—Saskatchewan—
Broadview—public building, $15,000.
Dominion public buildings — improvements and repairs, $25,000.
Regina—instalment on purchase of armoury, $31,000.
Whitewood—public building, $12,000.

Mr. MOTHERWELL: Perhaps the minister would tell us the nature and purpose of these two public buildings at Broadview and Whitewood, which by accident happen to be in the one riding. The hon. member for Qu'Appelle (Mr. Perley) is a fortunate man.

Mr. STEWART (Leeds): My hon. friend from Melville was fortunate in getting a clock for his constituency not so very long ago.

Mr. MOTHERWELL: Just a contract fulfilled.

Mr. STEWART (Leeds): The sum of $15,000 is to provide for the erection of a public building for postal purposes on a site situated at the corner of Edmonton and Sixth avenue in the town of Broadview. It will be a one storey brick structure.

Mr. POULIOT: In what constituency?

Mr. STEWART (Leeds): Qu'Appelle.

Mr. MOTHERWELL: What is the nature of the public building at Whitewood? I suppose that the item of $25,000 for improvements and repairs to dominion public buildings can be spent anywhere throughout Saskatchewan.

Mr. LAPOINTE: Even in Melville.

Mr. STEWART (Leeds): Yes, Melville gets some of that.

Mr. ELLIOTT: This is another province evidently where there was no necessity of any buildings in ridings represented by members of the opposition.

Mr. STEWART (Leeds): Well, the chances are that my hon. friend looked after the buildings in those ridings pretty well when he was minister.

Mr. ELLIOTT: Yes, and in ridings represented by members on both sides of the house.

Mr. DONNELLY: Where are these repairs and improvements to public buildings to be made?

Mr. STEWART (Leeds): This is similar to other items we have passed for improvements and repairs to public buildings in Saskatchewan. It is an increase of $2,500 over last year.

Mr. DONNELLY: When does the minister expect to have the building in Regina completed? I am referring to the vote of $750,000. And when the building is completed, what do you expect to do with it.

Mr. STEWART (Leeds): Plans are being prepared and we expect to invite tenders in the next two or three weeks. The building will be on a site owned by the dominion.

Mr. CAMPBELL: Is the minister going to invite tenders for a building of $750,000?

Mr. STEWART (Leeds): Yes, public tenders.

Mr. DONNELLY: Is it intended to tear down the present building? And when you have the new building completed what will be done with it? For a long time the people of Regina have been wondering what will be done with it.

Mr. STEWART (Leeds): The present building is a very old structure; that is our report.

Item agreed to.

Public buildings—Alberta—
Calgary—instalment on purchase of property for ordnance stores, $9,000.
Dominion public buildings — improvements and repairs, $17,000.
Peace River—public building, $31,500.
Red Deer—addition to armoury, $7,000.
Vermilion—purchase of building for postal purposes, $8,000.

Mr. GERSHAW: Can the minister give us the particulars of the largest item there in connection with a public building at Peace River?

Mr. STEWART (Leeds): This is for the purchase of a site and towards the erection of a public building for postal purposes at Peace River. It will be a two storey brick structure: building, $26,000; fittings, $3,000; grading and sidewalks, $1,000; contingencies, $1,500.

Mr. POULIOT: Is it a new station for the Peace River railway?

Mr. STEWART (Leeds): It is for postal purposes.

Mr. ELLIOTT: Can the minister point out which of the buildings in that Alberta list have been found necessary in ridings represented by gentlemen of the opposition here?

Mr. STEWART (Leeds): This one is represented by a gentleman who does not sit on this side of the house.

Mr. ELLIOTT: Perhaps the minister would answer my question rather than one propounded by himself.

Mr. LAPOINTE: A member of the allied army.

Mr. COOTE: Can the minister give us some particulars regarding the first item, instalment on purchase of property for ordnance stores? Where is this property located and what is it for?

Mr. STEWART (Leeds): This is to provide for the second instalment on the purchase of the property of the Calgary Paint and Glass Company, located at Tenth avenue west, corner of Seventh street west, for accommodation of ordnance stores, under the Department of National Defence, as authorized by order in council, March 31, 1934.

Mr. COOTE: What was the amount of the purchase price?

[Mr. Donnelly.]

Mr. STEWART (Leeds): This is on a rental purchase agreement. The property was under lease for three years and the rental was $8,880.

Mr. LAPOINTE: The hon. member for Red Deer is such a man of peace, I should like to know why there is an addition to the armoury there.

Mr. SPEAKMAN: In time of peace prepare for war.

Mr. LAPOINTE: That is a bad principle.

Mr. COOTE: Do I understand that the property to which I have referred is being paid for in three annual instalments of $8,000 or $9,000 each?

Mr. STEWART (Leeds): It is on a rental basis over a period of ten years, when the ownership will be completed and the building will be acquired by the government.

Mr. COOTE: What was the full purchase price of the property?

Mr. STEWART (Leeds): The rental will be $750 a month for ten years, and that completes the purchase of the property.

Mr. COOTE: From whom was it purchased?

Mr. STEWART (Leeds): The Calgary Paint and Glass Company.

Mr. POULIOT: In what constituency is Vermilion?

Mr. STEWART (Leeds): In Battle River.

Mr. GERSHAW: There is a large barracks being built at Calgary, at a cost of $2,000,000 or $3,000,000. What department is that under?

Mr. STEWART (Leeds): National Defence.

Mr. COOTE: Has the minister not received some requests—two years old or more, I believe—from the town of Claresholm, for the erection of a post office there? If so, what progress has been made?

Mr. STEWART (Leeds): I do not recall such a request from that locality. I shall be glad to look the matter up, and if the circumstances warrant it, it will be given consideration in the supplementary estimates.

Mr. POULIOT: In the absence of the member for West Calgary, and on his behalf, I beg to thank the Minister of Public Works for having put that item in the estimates.

Mr. McKENZIE (Assiniboia): From whom was the building at Vermilion purchased?

Mr. STEWART (Leeds): The Royal Bank of Canada.

Mr. McKENZIE (Assiniboia): It seems to me that the policy of the government in purchasing all these bank buildings is not helping the unemployment situation. In my constituency an old bank building was purchased against the wishes of the people of that district. I wonder who was responsible for this building being purchased at Vermilion? Was it the people of Vermilion that wanted it, or was it purchased, like the building at Arcola, against the wishes of the people of the town? When the building in Arcola was purchased it was against the people's wishes; they wanted a new building.

Mr. STEWART (Leeds): There is no suggestion on the part of the bank that we should purchase the building. The closing of branch banks in the smaller places has presented an opportunity to acquire buildings that are suitable for postal purposes at a cost very much under that which would be incurred in constructing buildings.

Mr. CASGRAIN: But it does not give work to the unemployed.

Mr. STEWART (Leeds): It is suitable for the purposes, and in these days when economy is being urged, and the curtailment of expenditures, the government thought it well wherever possible, and where buildings were available, to acquire them. Where public buildings have been necessary, if such buildings were available an effort was made to purchase them, and they are purchased at very moderate figures, very much below cost. The building in Vermilion is a good one, recently constructed, and will afford ample accommodation for postal purposes.

Mr. POULIOT: Speaking again about West Calgary, I asked the minister what progress had been made with regard to the building of or repairs to the armouries. If my memory serves me well, there was some discussion about the matter. What progress has been made since then?

Mr. STEWART (Leeds): I hope substantial progress has been made on account of the importance of the constituency, but really the building is not under the control of the Public Works department. It was assigned to the Department of National Defence and the minister of that department will be able to inform my hon. friend as to what progress has been made.

Mr. POULIOT: I thank the hon. gentleman for his courteous answer, but we are at just the same point as we were when the hon. member for West Middlesex and the hon. member for Quebec South complained so much about the duplication of management. This is too bad. I do not know whether I shall be here when the Minister of National Defence submits his estimates to the house. I am very anxious to hear about the matter and I am sorry the Minister of Public Works cannot inform us.

Mr. CASGRAIN: The Minister of National Defence is in his seat.

Mr. POULIOT: Yes, but this is not the time for him to speak.

Mr. CASGRAIN: He might, if the hon. member asked him.

Mr. POULIOT: I know, but one at a time.

Mr. CASGRAIN: Ask him.

Mr. POULIOT: No, I shall wait. I have a great respect for parliamentary traditions. At the same time I hope substantial progress has been made in the construction of that monument to the memory of the very distinguished member for that constituency. I trust, when the Minister of National Defence comes before us with his estimates, he will give us complete details about the building. Perhaps on account of the excellent work which is being done by this country at the League of Nations, the seat of the league will some day be transferred from Geneva to Calgary, and those barracks will become the palace of peace on this continent.

Mr. ELLIOTT: Perhaps now we have the explanation why some items go into public works and others have to go under the Public Works Construction Act. I presume the reason why the purchase of the bank building at Vancouver had to come under public works was because it could hardly be put under the Public Works Construction Act which is for the purpose of relieving unemployment. The minister will perhaps now say if that is the fact.

Mr. STEWART (Leeds): If my hon. friend will read again the Public Works Construction Act, he will notice in the schedule that moneys are appropriated for certain purposes. There are two general votes and under the wording of those general votes money could not be appropriated for the purchase of this building, so it had to come in in this way. It is the only way in which this could be done.

Item agreed to.

Public buildings—British Columbia—
Armstrong—purchase of building for postal purposes, etc., $7,000.
Chemainus—public building, $37,000.
Creston—public building, $30,000.
Dominion public buildings—improvements and repairs, $35,000.
Hollyburn—public building, $50,700.
Kelowna—public building, $65,300.
Mission City—public building, $30,000.
Penticton—public building, $61,000.
Vancouver—instalment on purchase of armoury, $17,100.
Vancouver public building—to meet one year's interest at 5 per cent on mortgage of $400,000, $20,000.

Mr. REID: Before asking some particular questions regarding these items, I wonder whether the minister would be good enough to answer some questions regarding the public works program.

Mr. STEWART (Leeds): Yes.

Mr. REID: Is there a general vote from which moneys can be taken under the $40,000,000 program?

Mr. STEWART (Leeds): There are two general votes in the schedule to the act, one for public buildings and one for harbours and rivers.

Mr. REID: So that the government could make from those funds appropriations for works that were not under the schedule?

Mr. STEWART (Leeds): Yes.

Mr. REID: I ask that because I notice in the statement brought down to the house, considerable expenditures had been made which had not been included specifically in the items as brought down. That is what prompted the question. Under the present item I notice six or seven buildings are mentioned. Would the minister explain for what purpose they are being constructed?

Mr. STEWART (Leeds): The first item, Armstrong, is for the purchase of the building formerly occupied by the Canadian Bank of Commerce in the town of Armstrong, to provide for post office accommodation.

Mr. REID: There are six more. The Armstrong item is specifically mentioned as being a postal building, but the other six are just called public buildings.

Mr. STEWART (Leeds): The Chemainus item is for the purchase of a site and the erection of a public building for postal purposes. The Creston one is a post office building. The Hollyburn one, Vancouver North, is for the purchase of a site and the erection of a public building for postal purposes.

[Mr. H. A. Stewart.]

Mr. REID: There are two others: Mission City and Penticton.

Mr. STEWART (Leeds): These are all for post office purposes.

Mr. REID: While I am particularly pleased to see the large expenditure for public buildings in British Columbia, because since coming to Ottawa I have always been gratified to see expenditures made in connection with works in that province, I am going to place before the minister a building project that I think should receive consideration. I believe I would be remiss in my duty did I not lay the matter before him. For at least the past three years I have appealed for a post office building in the city of New Westminster. In 1928 plans were made for alterations to the present building and those plans were approved by the postal authorities. The present building was erected in 1900, quite a few years ago, when there was a population of some 10,000 people. It is safe to say that the postal facilities provided in those days are not adequate for present day requirements. The population of the city has grown to about 18,000. They are taking care of the greater part of the municipality of Burnaby, besides all the mail of the Fraser valley. It is a positive disgrace to see the condition under which the men who sort the letters and the letter carriers have to work. They go through an underground tunnel into a small building at the back and there they are crowded. If they want to turn around, they have to go outside. They are working back to back. There is no room at all to work and the sanitary conditions and the ventilation of the building are terrible. If it had belonged to some corporation, I believe the city authorities would have condemned it. Last year under the relief act for public works an appropriation was made for a $30,000 customs building on the Pacific highway. I was glad to see money spent there, but I would like to know who proposed the building on the Pacific highway because I know the district fairly well, having been reeve there for some nine years. The post office building was required far more than the customs building. Not that I was objecting to the customs building—go ahead and put up more buildings; but here is a plea with respect to a building already belonging to the government and in which the conditions are terrible. We find six or seven buildings being constructed for postal purposes in other cities, and I am not objecting; I am not jealous of the other districts which are being looked after, but it seems

that we in New Westminster are being entirely overlooked. I ask the minister for some consideration.

Mr. STEWART (Leeds): The building constructed on the highway was for immigration and customs purposes at the border, where I believe there is very heavy traffic.

Mr. REID: Who proposed it?

Mr. STEWART (Leeds): The Department of National Revenue said they required the accommodation. It was not started on the initiative of the Department of Public Works; we were simply meeting the requirements of the other departments in order that they might be able to give the services they have to give at that point. In regard to New Westminster, I believe my hon. friend has suggested the construction of a building there—

Mr. REID: The alteration.

Mr. STEWART (Leeds): He has suggested it on more than one occasion. But if we had acceded to all the suggestions and requests for alterations and improvements and additions and new buildings, the public works program would have reached perhaps $75,000,000 or $80,000,000 instead of $40,000,000. We are doing the best we can. I know my hon. friend feels that his claim is as good as some others; perhaps it is, but we cannot meet them all.

Mr. REID: I did not object to the expenditure of the $30,000, but half of that building is comparatively new. It was altered in 1928 or 1929, and it may well be that it will be done away with if they construct the building on the Pacific highway. That is why I made the statement that the post office was far more in need of alteration and addition than the customs building on the Pacific highway. I was surprised when I saw the estimate last year—not that I object to it, but if we are to go ahead and encourage a works program something should be provided for my constituency with its large industrial population lying between New Westminster and Vancouver. This post office building, I am sure, is required more than many of the other projects.

Mr. STEWART (Leeds): I have no announcement to make as to any program of public works. There are those who think that a public works program does not relieve the unemployment situation very much after all.

Mr. REID: I am not one of them.

Mr. STEWART (Leeds): I am glad to hear that. Undoubtedly a large measure of at least temporary relief is afforded by the construction of useful and necessary public works. That was the object the government had in view in launching this program, which will be well under way during the coming summer, and I am sure the result will be beneficial. We have many communications expressing satisfaction with the results and the measure of employment that has been afforded. The situation at New Westminster will have to be reviewed in connection with any program that may be brought down similar to the one launched last year.

Mr. REID: I see that in the instalment on purchase of armoury, Vancouver, there is an increase of $3,000 over last year. Would the minister say what that is due to?

Mr. STEWART (Leeds): The $17,100 is made up of the third instalment on the purchase, amounting to $13,942.63, and a fire insurance premium for three years from March 10, 1936, making a total of $17,062.63, say $17,100.

Mr. REID: Did I understand the minister to say he is still giving consideration to the matter of the New Westminster post office in the event of a public works program being brought down?

Mr. STEWART (Leeds): I said it would be considered in that connection.

Mr. REID: Seriously, I hope.

Mr. HANSON (Skeena): Is it possible to have this item stand over, or can an item under it be discussed on some other item?

Mr. STEWART (Leeds): If there is any particular item my hon. friend wishes to bring up I would prefer that he do it now.

Mr. HANSON (Skeena): The minister knows that for the last five years we have urged the necessity of a public building in Prince Rupert. It is not necessary to put all the particulars on Hansard again. The government has already acquired a site and excavated it. Has the minister given consideration to the application made by public bodies such as the city council and the board of trade of Prince Rupert concerning that project?

Mr. STEWART (Leeds): This matter has been presented to the department on more than one occasion by the hon. gentleman himself, both personally and by letter. The expenditure involved is large. We have the

site, but to construct a building there such as is suggested would involve a very large expenditure, and up to this time it has not been thought possible to provide for it. It again is a matter that is under consideration in connection with any program that may be undertaken.

Mr. HANSON (Skeena): I notice that under this item there are six new public buildings for British Columbia. I hope Prince Rupert has not been forgotten just because I happen to be on the opposition side. I am sorry even to mention that view, but other new buildings listed in this item are all in places smaller than Prince Rupert, and the strategic position that Prince Rupert holds and the revenues obtained there in the different departmental offices I think merit consideration. If this matter cannot be discussed on any other item I would ask to have the item stand over, because I am expecting some information from Prince Rupert in connection with it.

Mr. STEWART (Leeds): I propose to leave one item standing, as we usually do, and I have no objection to my hon. friend discussing the matter to which he refers under that item, even if this is passed. As to his remark that he hoped that opposition members had not been overlooked, I call attention to the fact that two of these buildings, the one at Hollyburn and that at Vancouver, are both in opposition ridings.

Mr. REID: Having crititized the department I wish also to offer a word of thanks to the minister on behalf of the dyking commission on Lulu island for coming to their assistance last year by providing rock to save the dyke from breaking. I think it is only proper that I should do so.

Mr. STEWART (Leeds): Thank you.

Mr. HANSON (Skeena): Is there a possibility of consideration being given the Prince Rupert building in the supplementary estimates?

Mr. STEWART (Leeds): I do not know whether there will be any supplementaries.

Mr. HANSON (Skeena): Would there be any chance under the $40,000,000 building scheme of 1934? Does the minister mean to say it is practically out of the question to give any consideration to a public building in Prince Rupert for 1935?

Mr. STEWART (Leeds): Under the general vote in the act of 1934, as my hon. friend knows, most of the items are specifically set out and any construction such as that proposed in his constituency would be entirely outside the provisions of that act and would have to be provided for by a separate item, either in another bill or in the estimates.

Mr. HANSON (Skeena): I have the proposed expenditure under the act of 1934 and I find that approximately half of it has not been ear-marked for anything. So I would ask the minister to give consideration to that building, which has been before the department for many years. I would remind him that a site has been acquired and the excavation has been completed, so that some consideration must have been given the strategic point occupied by Prince Rupert in connection with central and northern British Columbia. I would ask the minister to give further consideration to it, and I reserve the right to discuss this question further on the item that is to be left open for that purpose.

Mr. STEWART (Leeds): Quite so.

Item agreed to.

Public buildings—Rents, Repairs, Furniture, Heating, etc.—
Ottawa Public Buildings and Grounds—
Elevator attendants, $108,000.
Departments generally—char service, including $150 for firing the noon gun, $449,400.
Heating, including salaries of engineers, firemen and watchmen, $395,000.
Light and power, including roads and bridges, $178,000.
Repairs, improvements, additions and maintenance, $343,000.
Rideau Hall—allowance for fuel and light, $19,000.
Rideau Hall—improvements, furniture and maintenance, $40,700.
Telephone service, $85,500.
Water, $67,000.

Mr. COOTE: Might I ask the minister if it is proposed to erect any new buildings in Ottawa this year?

Mr. STEWART (Leeds): The only buildings that it is proposed to erect in Ottawa this year are those provided under the Public Works Construction Act, which include an office building on Wellington street, an addition to the mint, a postal terminal and an administration building at the central experimental farm.

Mr. COOTE: I should like to urge on the minister the desirability of commencing this year the erection of a building on Wellington street, or somewhere close to the other government buildings, for the bureau of statistics. That is one of the departments used very much by members of this house, and they would make even greater use of it if it were located somewhere close to this building. It

is a shame to house the bureau of statistics in that old saw mill down on Sussex street. It was too bad the former government ever bought that property and put the bureau down there. I hope the Minister of Public Works will see fit to provide a building in this part of the city as soon as possible. Certainly it would be sound economics for the government to do that, and I hope the minister will give it his very careful consideration.

Mr. STEWART (Leeds): Similar suggestions have been made from time to time, and they are very worthy of attention. The quarters now occupied by the bureau of statistics are looked upon as temporary and not by any means satisfactory. I hope that some day the bureau will be suitably housed in a building of its own, adapted to its peculiar needs.

Mr. COOTE: I was over at the bureau a few days ago, and the quarters are most unsatisfactory. I do not see how the staff can possibly do anything like their best work, and in addition they should be closer to these buildings and more available to members of this house. There is a wealth of information to be obtained there of which we might make very good use if we could obtain it. As the minister says, these suggestions have been made from time to time; I am sure I have heard them for the last five years at least, but we do not get any action. I hope next year it will not be necessary to make the suggestion again; I hope the building will be under way long before that. I trust that when the minister brings down his supplementary estimates he will make provision for commencing this work. We have plenty of building material here in Canada with which to put up two or three good administration buildings to house all the government departments. We have owned this property on Wellington street for years; why not make use of it? We have the material and the men, and now that the Department of Public Works is being relieved of so much work surely it can easily provide the necessary oversight and architectural services. I do want to urge the construction of a building for the bureau of statistics, because their present quarters are a disgrace. Every time I go down there I am ashamed of this parliament because we do not provide a better building for such an important department.

Mr. POULIOT: I entirely agree with what has been said by the hon. member for Macleod with regard to the bureau of statistics, but I have other constructive suggestions to offer to the minister as well. The other day I mentioned the supreme court building. It is a shame to have the Supreme Court of Canada housed in its present quarters, and it is ridiculous to construct a new mounted police building before providing for the supreme court. My hon. friend knows that it is nonsensical, and he knows the importance of the Supreme Court of Canada. The people who are in the mounted police will have a palace before the supreme court is given the attention it deserves, which is most unreasonable.

I have another suggestion as well. We need a new fireproof library to house the treasures we have there. There are also treasures in the library of the Supreme Court of Canada. There are some very precious and rare books which are not in the parliamentary library but which may be found in the supreme court library, and very often members of this house who belong to the bar have to send for those books. The supreme court building is not fireproof, and if that library should be destroyed it could not be replaced. The other day the chairman ruled me out of order when I referred to those books, but I think this is perfectly relevant now, and I should like to take this opportunity to say a word about them. In 1848 the legislative buildings in Quebec were destroyed by fire, together with the library, which was a great loss to the country. New buildings and a new library were erected, but in 1878 there was another fire which destroyed the buildings and many very valuable books. What would happen if there should be a fire in the parliamentary library or the supreme court building? All those books would be destroyed, and no amount of money could replace them. If the minister is not going to spend a great deal of money he might do something at least. He might put rubber tile flooring in the parliamentary library as well as in the supreme court library; that would be something. It is almost impossible to work in the library here because of the noise. The floor creaks; there are typewriters going; people are talking, and there is no suitable place to work. No man from outside can take advantage of the books in our library. Members of this house can take them to their rooms and work there, but that privilege is not open to students and scholars from outside. This is a situation which should be looked after. I do not say this for the benefit of the contractors; I say it in the general interest. There are valuable books in our libraries. I have found statutes with the leaves uncut going back a hundred

years. They have not been consulted, but they are here and they may be consulted again a hundred years hence. They are useful, just the same, and it would be hard to replace them. Therefore I suggest that the minister accept these suggestions in good part; they are offered in the broadest spirit and in the public interest. I draw the attention of the minister to these facts because he is a man of learning, a man who has a first class personal library, who knows the value of books and knows how much the country would suffer if there were a fire which destroyed either the library or the books. The same observations would apply to the supreme court.

Mr. STEWART (Leeds): With much the hon. member has said I agree. I do not suppose there has been any time in the past fifteen years when the same conditions have not prevailed, and when mention has not been made in this chamber about the necessity for providing better accommodation for the supreme court. That accommodation has not been provided, however; for one reason or another successive governments have not felt they could undertake the task.

Mr. MERCIER (St. Henri): The judges were opposed to it.

Mr. STEWART (Leeds): Differences of opinion exist as to where the building should be located, the type of building, and whether or not it should be devoted exclusively to the dominion courts or should be a building embracing accommodation for all the courts. There has been considerable discussion as to the site and type of the building. There is the further fact that the city of Ottawa has been allotted a large sum of money for expenditures under the building program. It is felt that the money should be distributed rather than concentrated in one place. I agree when the hon. member states the accommodation for the supreme court is inadequate and out of date and that steps should be taken to remedy those conditions.

Mr. POULIOT: I thank the minister for his observations, and I am pleased to note he agrees with the suggestions which have been offered. It is absurd, however, to make such large expenditures for the Royal Canadian Mounted Police when we do not make an expenditure for the judges of the supreme court. May I ask the minister if he would consider seriously the suggestion of having a rubber tile floor placed in the library of parliament?

Mr. STEWART (Leeds): The accommodation for which provision has been made and which the hon. member describes as a building for the Royal Canadian Mounted Police is in fact an office building. At present we rent quarters on Rideau street in the Larocque building and we find those quarters altogether inadequate. The policing of the provinces has been taken over by the federal department. The provinces are paying for these services which have involved an increase in staff and the necessity for increased accommodation. The new building will provide for office accommodation.

Mr. POULIOT: Would a rubber tile floor in the parliamentary library be considered by the hon. member?

Mr. STEWART (Leeds): I do not know about that; prior to the fire the floor was considered a work of art, and was said to be in keeping with the architecture of the remainder of that beautiful room. The floor is not fireproof and has undoubtedly been injured by the water which came in and loosened the boards. But to put linoleum or rubber tiles over it would to a certain extent I fear destroy the character and architectural design of the room.

Mr. POULIOT: I thank the hon. member for his courteous answer, but I must say I disagree with him entirely in his artistic appreciation of the interior of the library. From the outside it is a jewel, but from the inside it is ugly. All the woodwork in the interior is in my view very ugly and out of fashion; the French call it style baroque. The floor is now out of order, a condition which I believe was caused by the flow of water, and does not look at all attractive. The only redeeming feature about the interior of the building is its height. I must say however that one finds great difficulty in finding books, because there is not proper accommodation for them. The most useful books are in the basement, and because of the terrific heat from the pipes in winter and the fact that it is like a cave in the summer one does not care to go there. I wonder if the minister has ever gone down there to look at some of the old books. I believe the situation is as bad as the one described as existing in the New Westminster post office. The interior of the library is the ugliest piece of architecture in Ottawa. Outside it is beautiful. I should like to have it made fireproof and have it beautified by being made simpler.

Mr. STEWART (Leeds): I agree with the hon. member when he states that the arrangement and construction of the library are not

modern, and that it is not fireproof, but I do not agree with him when he states it is not beautiful or is not a work of art.

Mr. POULIOT: We will leave it to the chairman to decide.

Item agreed to.

Harbours and rivers—Quebec—
Essential Undertakings—
Anse a Beaufils—repairs to breastworks, $43,000.
Anse au Griffon (river)—extension to breastwork, $6,100.
Baie des Rochers—wharf repairs, $5,500.
Baie Lavalliere—dredging, $15,700.
Baie St. Paul (riviere du Gouffre)—extension of protection wall, $8,800.
Black Cape (Howatson's Point)—wharf, $38,800.
Bonaventure—wharf repairs and improvements, $8,500.
Cape Cove (Anse du Cap)—wharf reconstruction, $50,000.
Carleton—wharf reconstruction, $30,000.
Champlain—extension of protection work, $27,000.
Cross Point—wharf repairs and improvements, $14,200.
Deschaillons—dredging, $11,200.
Donnacona—dredging, $42,000.
Doucet's Landing (Ste. Angele de Laval)—dredging, $15,000.
Dune du Sud, M.I.—breakwater, $6,500
Gascons—wharf reconstruction, $3,100.
Grand Anse—wharf, $2,500.
Grande Entree, M.I.—wharf extension and reconstruction of breastwork, $17,600.
Havre Aubert, M.I.—strengthening and widening wharf, $31,800.
Havre St. Pierre—wharf reconstruction, $75,000.
La Malbaie (St. Etienne)—wharf extension, $39,000.
Little River St. Lambert—dredging—the provincial government to contribute a like amount, $4,000.
Manicouagan—wharf extension—one-third of the cost to be contributed jointly by the Ontario Paper Co., Ltd., and the Anglo Canadian Pulp and Paper Co., $100,000.
New Carlisle—wharf reconstruction, $50,000.
Notre Dame du Lac—wharf extension, $9,000.
Peninsula—wharf extension, $5,800.
Port Daniel East—wharf repairs and reinforcement, $33,000.
Quebec—extension of Kings wharf, $200,000.
Richelieu river—improvements, $180,000.
Riviere au Renaud—wharf repairs, $5,900.
Riviere des Hurons—dredging—the provincial government to contribute a like amount, $60,000.
Riviere du Loup — wharf enlargement, $139,000.
Riviere la Guerre—contribution towards completion of improvement, the provincial government to bear a like amount, $37,500.
St. Antoine de Tilly—wharf reconstruction, $20,500.
St. Juste du Lac—wharf extension, $8,500.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $400,000.

Mr. POULIOT: May I thank the Minister of Public Works for the item of $139,000 for the enlargement of the wharf at Riviere du Loup. I deeply appreciate the consideration the minister has given to that beautiful place on the south shore of the river St. Lawrence known as Riviere du Loup. The amount voted for the enlargement of the wharf is substantial. What amount will be spent for steel, what amount for lumber, and what amount for labour?

Mr. STEWART (Leeds): This is an important wharf over which there is a heavy volume of traffic. I cannot state definitely how much steel or timber will be required; that is a matter to be determined after the plans have been prepared. The figure appearing in the vote is a rough estimate of the amount which will be required to do the work.

Mr. POULIOT: I understand betweer $85,000 and $90,000 will be spent for steel.

Mr. STEWART (Leeds): My information shows that sheet steel piling will cost about $79,000.

Mr. POULIOT: That is satisfactory, and I thank the hon. gentleman. I highly appreciate the way the minister has dealt with the member for Témiscouata since he has been minister. May I tell him that I know he put that amount in the estimates in appreciation of the savings that I helped him to make in his own department when I told him what was going on in the sale of materials, and which resulted in substantial sums of money being refunded to the department. I told him also of what was going on in other constituencies where some people were selling rotten timber for wharves, and he was kind enough to send the chief engineer there and to have all the rock fill taken out from the wharf in order that the lumber might be tested to the bottom. That meant a great saving to the department, and it is because of that the minister has put this amount in the estimates. There is something else. The government has lent a big amount of money to Newfoundland. That was denounced here and the government did not lend any more after I denounced it; they were so thankful to me for telling them the right thing to do that they said, "Well, Témiscouata, you have saved us millions of dollars through our not lending any more money to Newfoundland, and we will give you something for your wharf at Rivière du Loup." I thank the minister and the government for what they have done in appreciation of the work the Liberals are doing.

Mr. STEWART (Leeds): I am not sure my hon. friend's deductions are altogether warranted. There were other elements that contributed to the construction of the wharf at Rivière du Loup in addition to those he has just mentioned, although they, of course, had their place. I would not say, however, that they were the determining factor.

Mr. POULIOT: May I say to the minister that what I have told him was just a repetition of what I had heard from the voice of my conscience.

Mr. CASGRAIN: Can the minister give me any information regarding the enlargement of the wharf at Pointe au Pic, the contract for which was let last fall? I am told that the firm of Hill & Sibbald, of St. Catharines, Ontario, got the contract, but did not go on with the construction of the work, and that afterwards some other firm was to have been given the contract because the first contractors would not undertake the work for certain reasons; I do not know what they were. I should like to know who really has the contract for the construction of that wharf, and if the work is to go on, and if so when it is to be done?

Mr. STEWART (Leeds): The firm to whom the contract was awarded is the one mentioned by my hon. friend, Hill & Sibbald. The department has nothing to indicate that they will not go on with the work. Recent correspondence indicates that they have ordered their sheet piling, and so far as we know they propose going on with the work.

Mr. CASGRAIN: When will it be proceeded with—next spring?

Mr. STEWART (Leeds): At the opening of navigation.

Mr. CASGRAIN: When my hon. friend speaks of sheet piling, may I ask if this is not the first time that sheet piling has been used for that purpose in that district? I do not think it has ever been used for work such as that down below Quebec.

Mr. STEWART (Leeds): I do not know of any instance in which sheet piling has been used in that locality, but it is not an experiment at all.

Mr. CASGRAIN: What I want to know from the minister is whether sheet piling has been tested in construction of this nature below Quebec. I have never heard of its being used in that district, although it may have been used elsewhere. Are there any other wharves below Quebec in which sheet piling has been used?

[Mr. Pouliot.]

Mr. STEWART (Leeds): I can only say that in the opinion of the engineers of the department it is a sound and safe and suitable type of work for that locality.

Mr. POULIOT: I also wish to thank the minister for the amount provided in the estimates for the wharf extension at St. Juste du Lac.

Item agreed to.

Harbours and rivers—Ontario—
Under Contract—
Byng Inlet—dredging—to complete payments, $12,000.
Essential Undertakings—
Fort William — harbour improvements, $100,000.
Goderich—dredging, $32,300.
Hudson—wharf, $14,000.
Kincardine—reconstruction of north wall, $11,400.
Kingsville—harbour improvements, $85,000.
Meaford—harbour improvements, $40,000.
Midland—harbour repairs and improvements, $55,000.
Oshawa—harbour improvements, $40,000.
Owen Sound—harbour improvements, $60,000.
Port Arthur — harbour improvements, $98,000.
Port Colborne — repairs to breakwater, $24,000.
Port Hope—harbour improvements, $15,000.
Providence Bay — harbour improvements, $15,000.
Rondeau—repairs to west pier, $11,000.
Saugeen river—dredging, $18,000.
Sault Ste. Marie—dredging, $15,800.
Thames river mouth—repairs to lighthouse wharf, $14,000.
Toronto—maintenance of eastern channel, $15,000.
Wallaceburg—extension to wharf and warehouse, $5,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $200,000.

Mr. COOTE: I should have asked this question under item 110, Mr. Chairman. It is in regard to the heating in this building. There are some rooms up on the sixth floor which it is almost impossible to keep warm enough to sit in during the cold weather.

Mr. SPENCE: On every floor.

Mr. COOTE: I have taken the matter up with the minister, and it is perhaps necessary to make this public protest. I was in one room on the sixth floor and I noticed that the member had an electric heater during the very cold weather to keep himself warm. All that would be necessary would be to put in a little bigger radiator with a larger radiating surface in the rooms. As it is now, in very cold weather you cannot have the windows open for ventilation for more than two or three minutes because it gets too cold. I hope before another cold winter

comes the minister will see that better provision is made for heating some of these rooms.

Mr. STEWART (Leeds): We will attend to that.

Mr. GOLDING: I should like to take advantage of this opportunity to bring to the attention of the minister the situation at Bayfield. I have had some correspondence with him and I am glad to note that there is indication of some intention to do some dredging there and also to make further repairs to the pier. I have talked with the fishermen and they are firmly of the opinion that until the breakwater that was destroyed some years ago is restored, conditions will not be good. When I was in London last year the engineer gave me an estimate of $12,000 as the cost of restoring the ninety feet of breakwater that was washed away some years ago. If that work were done it would be money well spent and would result in a saving of money in the future. I should like on behalf of the fishermen at Bayfield to ask the minister to give consideration to their request.

Mr. STEWART (Leeds): A report is being secured at the present time in view of verbal representations made recently by my hon. friend, and it will be followed up.

Mr. GOLDING: Thank you.

Item agreed to.

Harbours and rivers—Saskatchewan, Alberta and Northwest Territories—
Essential Undertakings—
Cowan river—replacement of dam, $21,500.
Fort Chipewyan—wharf replacement, $7,000.
Prince Albert—reconstruction of retaining wall, $21,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $15,000.

Mr. BURY: Notwithstanding the outcry against titles in some quarters, there is a clamour for the creation of a pier at Seba on lake Wabamun, and I would ask if anything is being provided in this vote for that purpose.

Mr. STEWART (Leeds): No.

Mr. BURY: Is there any intention to provide for it?

Mr. STEWART (Leeds): I will have to investigate and see.

Mr. BURY: The application was put in some time ago, and I understood that it had been favourably reported on.

Item agreed to.

Mr. MOORE (Ontario): Before the committee rises may I ask the minister what he proposes to do about Whitby harbour and the requests that have been made for Whitby.

Mr. STEWART (Leeds): We propose to look into it.

Mr. MOORE: To look into the harbour? When does the minister propose to look into the harbour? I should like to be with him when he does it.

Mr. STEWART (Leeds): I should be delighted to go up and look at it, and even swim in it.

Mr. MOORE (Ontario): May I say that I will extend the hospitality of the riding when the minister goes into it.

Mr. STEWART (Leeds): Accepted at once.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, March 1, 1935

The house met at three o'clock.

MARINE AND FISHERIES

First report of the select standing committee on marine and fisheries.—Mr. McLure (for Mr. Ernst).

MEAT AND CANNED FOODS ACT

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Meat and Canned Foods Act to provide that the governor in council may from time to time prescribe a tariff of fees that shall be charged for the inspection of canned fish and shellfish.

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

Motion agreed to.

FISHERIES ACT, 1932

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Fisheries Act, 1932, to provide that except where licence fees are prescribed in the act, the governor in council may from time to time prescribe the fees that shall be charged for fishery licences.

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.

NORTH BATTLEFORD ENUMERATORS

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): On February 26 the hon. member for North Battleford (Mr. McIntosh) explained to the house at some length that he had received a communication from his constituency stating that some of the enumerators had not been paid for the work they did in preparing the voters' lists. I have made inquiries on the subject and have received the following letter signed by Watson Sellar, comptroller of the treasury:

> Section 48 of the Franchise Act requires the auditor general to tax all accounts submitted by the enumerators. On February 14, and again on the 15th, this office received applications for cheques from the auditor general to pay the accounts for North Battleford. Cheques were drawn on each day, and delivered to the auditor general, for they are mailed from his offices.
>
> I believe these payments cleaned up all accounts for that constituency, with one exception. In this case, it is believed a claim could be made, but the person concerned has not sent in an account.
>
> This office has no arrears to catch up with respect to payments to enumerators. Cheques are drawn the same day as the application is made by the auditor general. To date, approximately 39,000 cheques have been issued, and by the time a further 1,000 will have been received, the work should be completed.

Now, Mr. Speaker, I call your attention to the fact that when the hon. member raised this question on February 26 all the cheques in payment of these accounts had gone out ten or twelve days before. I submit to the hon. gentleman that although he might not have got as much publicity as in that way, he could have obtained this information more easily, and without taking up the time of the house, if he had telephoned to either the auditor general or the comptroller of the treasury.

Mr. McINTOSH: I did not think the right hon. gentleman would be able to give as complete an answer as he has; therefore I am quite satisfied.

BRITISH SETTLERS

REPORTED DISTRESS OF IMMIGRANTS UNDER THREE THOUSAND BRITISH FAMILIES SCHEME IN NORTHERN SASKATCHEWAN

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): It has been drawn to my attention

that there are in northern Saskatchewan some British settlers who were brought in under the Three Thousand British Families Scheme, and who now find themselves destitute. These people, because of the fact that they have been in Canada over five years, have no further claim on the scheme under which they came, and the municipalities have refused to accept any responsibility for them. Therefore I would ask the acting Minister of Immigration (Mr. Gordon) if he has any knowledge concerning them, or if he will have the matter looked into.

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): I know something of the situation to which the hon. member has referred. I have been in correspondence with the settlers. In view of the question asked I shall look into the matter again and make a more extended reply on Monday or Tuesday.

HORNBY SETTLEMENT PLAN

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): I received to-day a communication concerning a policy of immigration by a gentleman named General Hornby. The first paragraph reads as follows:

Some hon. MEMBERS: Order.

Mr. DUPUIS: I am in order, Mr. Speaker; in order to put my question it is necessary that I put the house in possession of this:

> One of the reasons why many of us are in favour of an early resumption of British immigration into Canada is that it would result in immediate productive employment for our own people.

My question to the acting Minister of Immigration (Mr. Gordon) is this. Is the Conservative party still in favour of a policy of immigration on a large scale as enunciated by General McRae, and if so, has it given its approval and support to the scheme of General Hornby?

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): Mr. Speaker, I can set the hon. member's mind at rest with respect to part, at least, of his interrogation. The Conservative party or this government will not subscribe to the kind of immigration that prevailed under the late government. We have not set up any barriers against British immigration into Canada since we came into power. I am not acquainted with General McRae's scheme; it has been referred to in the house on a number of occasions—

Some hon. MEMBERS: General Hornby's.

Mr. GORDON: I think it is General McRae. As far as I am aware, while the scheme that was proposed by General McRae was rather an extensive one, he at no time advocated a great movement of immigrants into Canada without regard to their desirability. As my colleague reminds me, the provinces have been consulted by this government from time to time in the last four and a half years with respect to the admission of immigrants who have come into Canada. The question is a very large one, and I have no doubt that during the passage of the estimates of the department ample opportunity will be given to discuss it from all angles.

Mr. DUPUIS: Would the minister be kind enough to produce all correspondence, telegrams and communications between the government and General Hornby or any other party interested in this scheme of immigration, if any?

Mr. GORDON: This question arose in the house some weeks ago. The Department of Immigration was not in possession of complete details of what has been referred to in the press as the Hornby scheme, I therefore went to the trouble, because of the inquiry that was made, to procure from General Hornby complete details of his activities. About ten days ago all that information was tabled by me and is available to the hon. member.

Mr. GOBEIL: He is not up to date.

WESTERN POULTRY MARKETING

On the orders of the day:

Mr. W. G. WEIR (Macdonald): I would like to ask the Minister of Agriculture (Mr. Weir) if he is in a position to report on the vote taken recently in connection with the poultry pool scheme in western Canada. If so, can he give details of the result.

Hon. ROBERT WEIR (Minister of Agriculture): A report in reference to the vote will be available at the beginning of next week. The officials in charge are expected to return on Monday.

CITY OF OTTAWA AGREEMENT

Hon. H. A. STEWART (Minister of Public Works) moved the second reading of Bill No. 23, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

FARMERS' CREDITORS ACT

AMENDMENTS TO FARMERS' CREDITORS ARRANGEMENT ACT, 1934

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 10, to amend the Farmer's Creditors Arrangement Act, 1934.

Mr. G. G. COOTE (Macleod): It is not my intention, Mr. Speaker, to delay the house for more than a few minutes on the second reading of this very important bill, but because I believe there is a misunderstanding in the minds of some members of this house as well as many members of the general public in regard to the question of farmers' debts, I do want to bring to their attention a few facts to demonstrate the need for the legislation known as the Farmers' Creditors Arrangement Act.

Figures which I secured from one of the chartered banks, accompanying a chart published in its recent monthly bulletin in regard to the farm cash income of Canada, show that for the years 1926, 1927, 1928 and 1929, the four pre-depression years the total farm cash income in Canada was $4,012,000,000. In the years 1931, 1932, 1933 and 1934, the last four years, the farm cash income was only $1,744,000,000, so in those four years there was a drop of $2,268,000,000, or 57 per cent. That is the cause of the present terrific burden of farm debts which really makes this legislation necessary. The average drop in cash revenue per farm in Canada for the four years amounts to $3,136; that is the loss in revenue to the average farmer during that period. That total amount of $2,268,000,000 would have been sufficient to pay every farm debt in Canada, to wipe the slate clean and leave over an amount equal to $1,000 per farmer. That drop in revenue of $3,136 per farm resulted from a drop in the price level of farm products. It has not been due, as some people seem to think, to crop failures through drought or otherwise. It is true there have been crop failures in some areas, but on the whole production during the last four years has equalled the production of pre-depression years. I think the fact should be emphasized, that the decreased revenue is due to a drop in price levels.

The article to which I have referred indicates that the farm cash income, converted into dollars having the same purchasing power as in 1926—and I quote these figures to show that the drop in farm purchasing power, while not quite as great as the drop in money income, has been very severe indeed—for the four years from 1926 to 1929, would be $3,994,000,000, while the farm cash income,

computed on the same basis, for the four years 1931 to 1934, would amount to $2,384,000,000. As a result there has been a loss of purchasing power to the farmers in the last four years amounting to $1,610,000,000. When you consider that the net cash income of the farmers in Canada is the greatest source of purchasing power in the country it is no wonder that a business man in western Canada should have said a year ago, "If it is true, as some modernists say, that there is no hell, where has business gone, anyway?"

On Monday last I gave the house figures showing the loss of farm purchasing power in Canada for the past four years as compared with Australia, and I need not go into the matter again. I estimated that the drop in farm revenue in Canada was $852,000,000 more than it would have been if we had had the same money policy as Australia. There is an impression in this country, and I think the statement has been made in this house, that farmers in Canada are better off than are the farmers in most other countries in the world. I want to say, Mr. Speaker, that this impression is absolutely wrong. The hon. member for Willow Bunch (Mr. Donnelly) gave us very good proof just a couple of days ago that the farmers of the United States are not as badly off as we are in Canada and I should like to direct the attention of the house to the situation of the farmers in the Argentine, who have a sixty per cent exchange advantage over us. In the old days the Argentine peso, under the old parity, was worth forty-two cents in Canada. It is now worth twenty-five cents. If a shipment of corned beef or any other commodity from the Argentine to Canada brought the Argentine exporter $1,000 in Canadian currency, under the old parity, when the peso was worth forty-two cents, he would have converted his $1,000 into 2,380 pesos. At the present rate of exchange, however, he would receive 4,000 pesos, which gives him an advantage of sixty per cent as compared with the position he occupied previously.

Mr. SENN: Is the hon. gentleman arguing in favour of the dumping regulations?

Mr. COOTE: No, I am not; I am just trying to show the causes of the farmers' debts. I say one great cause has been a wrong monetary policy, and I want to show the present situation of the Canadian farmer when he exports his goods to other countries of the world, where he has to meet the competition of the Argentine, Denmark, Australia and New Zealand, which are the four countries I have particularly in mind. I am pointing out that with the proceeds of a shipment of goods to Canada or any outside country the Argentine farmer is able to pay sixty per cent more interest or sixty per cent more debt than the Canadian farmer would be able to pay with the same shipment, and that is one of the causes of farm debts today. As a matter of fact the principal cause of the farm debt situation is an out of date and altogether obsolete monetary policy which has been pursued in Canada for a long period of years.

Whether we export bacon in competition with Denmark, dairy products in competition with New Zealand or wheat in competition with the Argentine or Australia, we are up against the fact that we are labouring under an exchange disadvantage. I know that some hon. members will pooh pooh the idea that this is any burden to us, but they need think back only two or three years to the time when the present government placed an exchange dumping duty on goods coming from Great Britain because they said Canadian manufacturers could not compete with British manufacturers although they were labouring under an exchange disadvantage of only twenty-five per cent. How in the name of heaven can the farmers continue indefinitely to compete with the rest of the world under this exchange handicap? They have done so for four years, but they cannot go on much longer.

Then I want to bring to the attention of the government and of the house another matter which places us at a considerable disadvantage, and again I want to quote the example of Australia. In that country the federal government has distributed in bonuses to wheat growers the sum of £8,429,000, or in round figures something over $40,000,000. That takes in the four years 1931 to 1934, and it includes £4,000,000 that was voted by the Australian government last year, part of which has been distributed and the rest of which will be distributed during the current crop year. In addition to that, as has often been stated in this house, the government of Australia reduced the rate of interest on all debts by twenty-two and a half per cent of the existing rate. That was done three years ago, I believe. I have also been told within the last two days that the Australian government at the last session set aside the sum of over $50,000,000 to be loaned to the farmers, without interest, in cases where farm creditors had made satisfactory arrangements of their debts with the farmers. I have not been able to verify that statement by

anything I can find in the library but it was told to me by a responsible citizen and I give it to the house for what it is worth.

Most other countries have taken some action to deal with the debt situation of the farmers. May I remind hon. members of the legislation passed in Brazil whereby the debts of all agriculturists were reduced by 50 per cent; that was a straight horizontal cut of all debts. The creditors who took the losses went to a certain court, proved their claims and were given bonds of the state of Brazil for the amount which had been written off. In other words the national credit of Brazil was used to reduce by 50 per cent the debts of the farmers of that country. The reasons given in the preamble to the Brazilian act might very well apply here, namely that the farmers had suffered under a policy which was presumed to be in the national interest, and that therefore it was the duty of the nation to assume 50 per cent of the burden of debt resting upon the farmers.

In Great Britain millions of pounds have been paid out in the form of bounties to their farmers. In New Zealand there has been legislation reducing the rate of interest and making provision for a reduction of debt in certain cases before the courts. The legislation is somewhat similar to that we are now considering. I should like to point out however that as I remember it there was in New Zealand legislation reducing to five per cent the rate of interest on all mortgages.

In South Africa there was legislation reducing the rate of interest payable by the farmer to three and a half per cent. That is all the farmer is required to pay. The government pays one and a half per cent, making a total of five per cent. The creditors are expected to accept this amount in full settlement of their interest claims. If they do not accept those terms a special tax is levied upon them which in effect taxes back to the state all the interest they collect in excess of five per cent.

In the Argentine not only have they the advantage of sixty per cent in the exchange rate, but action has been taken to reduce the rate of interest on approved bank loans to five per cent, and there has been a reduction in the rate of interest on mortgages. For two or three moments I shoud like to deal with the actual working out of the act now under consideration. Our legislation falls down at this point, namely, that there is no relief for the farmer who does not come under the Farmers' Creditors Arrangement Act. In most cases farm mortgages are still carrying eight per cent, in some cases nine per cent and so far as I know in the majority of cases the creditors are insisting upon the payment of those rates. I do not know of any way in which that practice can be stopped, unless it be by legislation. This parliament having jurisdiction over interest rates I feel it is our duty to legislate under this federal power towards limiting the rate of interest which can be collected on any farm mortgage. So far as I am concerned personally I should like to go farther than that and say that it should be limited on any mortgage. However at the moment we are dealing only with farm mortgages.

The figures I have quoted showing farmers' incomes should surely convince any fair-minded persons that farmers cannot pay eight per cent or nine per cent. A rate of four per cent to-day is just as burdensome to the farmers as eight per cent or nine per cent ten years ago or even six years ago. As a matter of fact it is more burdensome. I do not suppose more than 10,000 or 15,000 of our farmers will take advantage of the Farmers' Creditors Arrangement Act to secure a reduction of their debt or a reduction in the rate of interest. Surely it is unfair to leave the rest of the farming population in the position of having to pay eight per cent or nine per cent interest on mortgages. Many of these people are denying themselves the real necessities of life. They have drawn on their savings, they have gone without many things they should have had and have reduced their standard of living down to a minimum in an endeavour to meet their monetary obligations in full. In other words they have done all this to maintain the sanctity of contract upon which our present system is built. I believe this house should do something to make it possible for that sanctity of contract to be maintained. Some people would say that we should not interfere, but I cannot agree with them. The extra purchasing power of money to-day and the increased purchasing power investors have had on their incomes for the past four years is I believe a complete justification or at least all the justification necessary for us to reduce the rate of interest, as I have suggested. We owe some action to that class of farmers who up to date have met their liabilities and who are not yet in a position where they will go to the administrators of the Farmers' Creditors Arrangement Act and ask for relief.

So far as I have been able to find out the general policy of those administering the act is that in most cases—and I am speaking about the average case, not the worst cases—they are reducing the rate of interest to seven per cent. That is much too high a

rate for any farmer to carry, and particularly for a man who has had his affairs rearranged under the Farmers' Creditors Arrangement Act. It is clear to all of us that if the board of review would write down his debts he must be in difficulties. In many cases however in connection with which action has been taken the farmer has been left with a rate of seven per cent on his remaining liabilities. In a great many cases—and I believe this might almost be said to be the rule adopted by one of the boards—they reduce the arrears of interest by one-third. The farmer with two-thirds of his arrears added to his principal and paying a rate of seven per cent is in most cases in a far worse position than if he had no arrears and was still paying eight per cent. I believe it is safe to say that only in extreme cases have boards of review set a rate lower than seven per cent,—and I am talking now about my own province, because I do not know how the boards function in the other provinces.

My reason for speaking of this is that loan companies seem to be exercised over the action of the board,—or pretend to be. I am informed that some of their eastern officials have travelled out to our province to interview the board and the provincial government, and to tell them that if this policy is adhered to there will be fatal reactions or repercussions. So far as I am concerned I wish to emphasize that seven per cent is too high a rate of interest for farmers to pay. I believe the act should be amended so as to fix a maximum rate of four per cent or five per cent. If that reduction will endanger the position of any of the loan companies then the legislation should be made wide enough so that the reduction may be carried right through to the persons who originally invested in the debentures or bonds of the mortgage company.

Finally I should like to bring to the attention of the house the actual position of the farmers who have been paying this rate of eight per cent for the last twenty or twenty-five years. I have before me a letter which was clipped from a western paper, and was sent to me. It arrived in my mail this morning. This is part of a letter written by a farmer in Saskatchewan to his creditor in Waterloo, Ontario, stating:

> Received your notice calling for payment of $6,238.92. Some figures. This amount has grown from $4,000 in 1928, our last crop, to $6,238.92 this year. This is certainly some racket. I wish I could make money as fast. Your offer of giving $2 for every dollar paid on interest arrears is a step in the right direction but of no avail, as we have had no crop this year to pay anything, so you can put a few more figures on for next year, they look nice anyway.
>
> You will soon have it up to $10,000 on paper, and on paper it will remain unless you make a real adjustment of balance and give me a definite amount to pay.
>
> I will now list a few figures. As you know, the original loan when assumed by me was $6,000.

[Mr. Coote.]

He proceeded to show by figures what payments had been made, the amount totalling $8,355.96, and then he says:

> I have paid $8,355.96, and according to notice, I still owe you more than I originally did.

That is the case with so many farmers. Here is a farmer in my own constituency, living only a few miles from my own farm, who has paid eight per cent on a loan of $500 for twenty years. That is, he has paid $800 interest, but he still owes the $500, and the mortgage company is still collecting eight per cent. Now if this man had had a loan at 5½ per cent, which I think would have been a fair rate of interest, I think his loan would now be paid off and his farm be free of debt, but as it is he is still carrying that load of $500. When he applied to the farm loan board this year he was told that they were afraid they could not give him a loan large enough to meet all his liabilities. He wanted a loan of $2,000 on 240 acres. The matter is still under consideration by the board. I am not referring to the board's action at the moment. I just want to use this case for the sake of illustration. If there had been a reduction in the rate of interest of even one per cent, if this man had had to pay seven per cent instead of the eight per cent, and that one per cent had been used towards amortizing his loan, I think by this time he would have had it cut in two. I do want to see the rate of interest low enough so that these farmers can look forward with some reasonable expectation of having their farms cleared before they pass out from this world.

In conclusion, I want to urge upon the minister that before this bill is finally taken out of committee he should make the necessary amendment to the last section of the bill to provide a maximum rate of interest on farm mortgages for at least a term of years. I think that maximum should not be more than five per cent at the outside, and I would hope that it could be done at four per cent, and if necessary make it so that it will carry through to the original investor in the mortgage company's bonds. I do not want to bring the mortgage companies into the bankrupt class; there are so many farmers there now, and it would not give me any pleasure

to see any more people or corporations put into that position, but I think that is the best thing to do under the circumstances. I believe it is far better for these people to have a mortgage under which they will receive their money at five per cent than one at eight per cent when they are not going to get their money, and it is better for an investor to have a bond at three or four per cent when he is going to be paid than one at five per cent which he is afraid is not going to be made good.

Mr. J. T. HACKETT (Stanstead): Mr. Speaker, the amendments which are before the house are aimed at remedying some of the inadequacies of the act. I think it is imperative that those inadequacies be remedied, and remedied at once, because if the traditional delays of the law are going to overtake the administration of this act it will fail, and fail miserably, in its purpose. It is failing in part now because the delay of sixty days granted to the farmer who makes a proposal under the act, having expired in many cases before they have been disposed of by the board of review, the seizing creditor has been able to go on with his action or his execution.

I furthermore note that in Quebec at least that the act is inadequate in that no reference is made to a very common type of transaction by which a property is acquired, and there does not appear to be in the amendments any proposal to meet this inadequacy.

I would draw to the minister's attention that an accumulation of appeals and the delay which must elapse before they can be disposed of endangers the working of the act itself.

Mr. C. E. BOTHWELL (Swift Current): Complaint has been made that this act in its operation has the effect of penalizing the local creditor possibly for the benefit of the mortgage companies and the secured creditor.

The complaint is also made that in the case of a first mortgage on land no reductions are ordinarily made excepting a reduction in the arrears of interest, and possibly a very small cut in the rate of interest. When a farmer finds it necessary to make application to the official under this act, and that official finds that a farmer is in such circumstances that he needs the benefit of the act, then it does seem to me that an adjustment should be made whereby that debtor should not be required to pay more than the legal rate of interest from that time on until he is able to get on his feet, that legal rate of interest being five per cent at the moment. The reduction that was referred to by the hon. member for Macleod (Mr. Coote) from eight per cent to seven per cent is of no special value to that farmer at all because he is in such circumstances that he needs a greater reduction than that.

Then I believe, too, that all of these officials who have charge of administering the act should be instructed that they are not to approve of a scheme that only has the effect of penalizing the local merchants and the local people in the community in which the debtor lives and allows the mortgage company to get away with what is practically an increase in its security. That is actually what is happening at the present time.

I had a reply the other day from the minister in connection with the operation of this act in Swift Current. That reply stated that some thirteen applications, I think it was, had been dealt with and in one a formal order was made. Compromises were secured to the extent of some $52,000. I do not know how it worked out in all cases but I do know this, that one case that will be included within that $52,000, and in which there was a very substantial reduction amounting to several thousands of dollars, would have come about whether we had an official receiver there or not. The creditor who had to suffer the adjustment—we will call it that—stated that had the debtor approached him in the first place he would have made an adjustment himself, and possibly an even better adjustment than was made, without the intervention of the official referee.

Mr. GOBEIL: Why didn't he do it then?

Mr. BOTHWELL: He never was approached by the debtor. The debtor, immediately he knew something of the operation of the act, went to the official referee and made his proposition and the papers were sent out calling him into the official referee's office.

But the point I specially want to make is this, that in the operation of this act, while it should be beneficial to many farmers, and there are many farmers particularly in the west who need any benefits this act can afford, there is another class of person in the west who is also entitled to some consideration and whom I think this act should be extended to include. As the matter now stands the farmer is able to get an adjustment, as I said, at the expense of the local merchant and local business man, the local professional man, and so on. But the merchants in these country places are not able to collect their debts, and they are getting no reduction from the wholesaler. They need the benefit of an act such as this just as much as the farmer does. They are giving

the farmer a reduction on his debt, not being paid in a great many instances, although they expect to get it over a period of years. But so far as the merchant is concerned he is getting no reduction, and consequently the merchant, the business man of every description and professional men are gradually going broke. I trust that the minister will give attention to that class of case and consider the advisability of extending the operation of this act to include some of the other classes who are being penalized at the present time just as much as the farmer is.

Mr. W. J. LOUCKS (Rosetown): I have no criticism to make of the remarks we have heard from the hon. member for Swift Current (Mr. Bothwell). He has pretty well stated the case in this house to-day, and I can endorse what he has said. The unfortunate thing is that throughout the little towns in western Canada the merchant has given security to the wholesaler, either by way of note or in some collateral form, and when he is asked to write down the debts due to him it is not very encouraging for him to find that he cannot get any money. But the wholesaler holds the local merchant to his indebtedness, one hundred cents on the dollar. In my opinion, so far as the local debts in our province are concerned, they could be cut in half if some money were available to take care of the local merchants after they have written down debts. If this were done it would stimulate trade right across the country and give the farmers and others a fresh start.

I may have big ideas, something perhaps beyond the power of this government to put into effect, but I do say that the situation is very serious indeed. I am still convinced that agriculture is the basic industry of the country, and if it were possible either to consolidate the debts of the farmers, not only in western Canada but throughout the dominion, and to write them down fifty per cent, it would have a very beneficial effect indeed. From one receiver I have received a letter informing me that the debts in his locality could be written down from $700,000 to $300,000 if only ready money were available, and there would be no need to go to the court of review. This morning I received a letter from a farmer who sold his farm in my district. On this farm he put up a house at a cost of $5,000. On moving to British Columbia he sold the farm and the purchaser owes a balance of $9,000 for it, and the purchaser is now applying to the receiver for a fifty per cent writing down. I have a copy of a letter from the man in British Columbia—the man who sold the farm in question—and he now offers to take $4,500 in settlement of his claim for $9,000. But he wants ready money.

You will say, but what about $90,000,000 we have already voted for that very purpose. Well, I realize that that is a real move in the right direction, but I cannot help feeling that it will be only a drop in the bucket over the dominion when it comes to satisfying the applications that will flood in to the farm loan board. I have not the figures before me, and I can only speak from memory, but I believe that in 1933 the hon. member for Macleod (Mr. Coote), either in the committee on agriculture or in the banking and commerce committee, stated that the debts of the farmers throughout Canada amounted to $1,500,000,000—I am not sure of the amount. If that could be reduced by half, I can think of nothing that would so stimulate business. It would help matters very greatly if the government could issue enough money to wipe out this debt. I would be willing to tackle it. You may say, "But you are not a financier." Well, I know that I am not a financier, but I ask this question: What can the farmers do under present circumstances? If this debt could be written down to fifty cents on the dollar you would really have twice the security that you have now, because the farmers, with things as they are at present, will never be able to meet their obligations. They certainly cannot do so in the west.

I am not a pessimist who thinks that there is no hope for the country, but at the same time it is rather discouraging to the farmer to feel that he cannot get out of debt. The hon. member for Macleod suggests the reduction of interests. I have another alternative. I believe that if it were possible to have a moratorium at this time and to cut out interest it would give the farmers a chance, so that interest would not accumulate for the next five or ten years. If you could do that there would be more hope for the farmer. But when he looks at his mortgage to-day, when he compares his present liabilities with his indebtedness five or eight years ago, he sees that it has about doubled, and he sees no hope ahead; interest will continue around seven per cent. This is not very encouraging to the farmer. We have to face these things whether we are on this side of the house or sitting opposite, and I hope we shall all be big enough to get together on this question, because if agriculture is not once more placed

on a prosperous basis there is no hope for the rest of the country. I think we are all agreed on that.

My hon. friend from Willow Bunch (Mr. Donnelly) has painted a very black picture of conditions in western Canada. I do not believe he did it intentionally, but I think he was exploiting the situation yesterday. In January I happened to be in Montana visiting my daughter, and I certainly did not find things there as rosy as he painted them. There was a processing tax of thirty cents a bushel on wheat and there was also a processing tax, which the hon. gentleman did admit, of three cents a pound on hogs; and my daughter told me that there was a personal tax on household effects. The assessor goes right into her house and assesses her silverware and other things, and even her watch is assessed. My son-in-law told me he had to get a licence for his car, and he had to pay a tax on his car on the first of January. And what about the condition of the people there? They are living in shacks, not such buildings as we have in this country. The housing situation is bad, and if you went there you would endorse what I say. But what is their answer when you point this out to them? They say that if they put up a house they are assessed for it. They are taxed on everything conceivable, from a woman's jewellery, silverware and household effects right down. Down there the farmers feel that in Canada, at any rate, the Prime Minister has tried to do something.

Mr. SPEAKER: I do not wish to interrupt the hon. gentleman, but I would ask him to confine himself to the subject.

Mr. LOUCKS: I will try to do so, Mr. Speaker. Hon. gentlemen opposite say that the tariff is the source of the trouble. But I compared conditions in Canada with conditions in Montana when I was there last January and I did not find so much difference in the price of machinery. But even supposing any difficulty in that connection could be got over, that would not save the situation to-day.

While I agree that this amendment to the Farmers' Creditors Arrangement Act will be a help so far as the farmers are concerned, I believe we must go further. Even with good crops in western Canada—and I am speaking about the west particularly because I am more familiar with it—the farmers, with the prevailing prices cannot recover. There are other aspects of the question. I know farmers in my constituency bought land at $70 or $75 an acre and I know it is impossible for them ever to meet their obligations because there is no such earning capacity in any farm in western Canada. With wheat at $2 a bushel, there might be hope of writing off their debts but we cannot expect such prices for some time to come.

When I suggested, as I did recently that a moratorium be introduced and an assurance given to farmers that for five years interest would be wiped out, I was told that to do so would be ridiculous. The question was asked: What about the poor fellow who depends on that interest for his livelihood? Well, according to the figures given by the hon. member for Macleod (Mr. Coote), these people have been pretty well paid and in many cases the debt has been doubled. If I were holding a mortgage on a farm for $10,000 at seven per cent interest, knowing conditions as I do, as the mortgage companies and as individual lenders do, I would be very happy if any government were to come to my rescue and say: If you will consider giving the mortgagor a chance and will wipe out the interest, probably we can assure you that at some time in the future you will get the principal. I think most people or companies who hold mortgages on farms to-day would be very glad should some such assurance be given. If that were done, it would be a great help to the farmers of western Canada.

I want to stress the point again that I cannot see how the farmer is to ask merchants and professional men to write off 50 per cent of his debt and yet we cannot come to their rescue and give them a dollar to help them back on their feet. I know I am on this side of the house and I am speaking plainly. These are matters that we must consider and I do not care from which side the suggestion comes. Surely we are big enough when we are sent here by the people to represent them as a whole. The hon. member for Swift Current (Mr. Bothwell) made that very plain. He has given the situation as he knows it in his particular constituency and the same is true of me. We are hoping for a scheme which will prevent similar conditions from again arising in western Canada. The hon. member for Compton (Mr. Gobeil) beside me suggests: What about gambling? The farmers in the west say that the whole thing to-day is a gamble, but if we can get some of the streams dammed up under the scheme put forward by the Department of Agriculture, we shall forget that it is a gamble and I believe such a scheme is a move in the right direction.

So far as gambling is concerned we have all had a lesson, but I will not speak further about that because I shall be called to order by the chair and rightly so. The Minister of

Finance (Mr. Rhodes) has done much for the farmers and I want to give him every credit for it. He is thinking seriously of the condition in which the farmers generally find themselves, and I believe there is some hope for them if something like this is brought about. I realize that $90,000,000 is a great deal of money, a splendid sum, but it will never save the situation and I can see where trouble may arise. When the minister said yesterday that $7,500 was the maximum, he is right, because I know we shall have many applications for the maximum amount and I can see how quickly $90,000,000 will disappear.

I am strongly of opinion that if we cannot wipe out the interest altogether, it should be reduced to four per cent. There is a justification for doing so at this time and such action would be of still further assistance. When we consider the arrears of taxes, the other debts piling up, the deterioration of machinery and the necessity for immediate and drastic action, we must devise some way of taking care of the situation. Let us start at the foot of the ladder, the basic industry of this country.

Hon. P. J. VENIOT (Gloucester): Before this bill receives its second reading I wish to draw the attention of the Minister of Finance (Mr. Rhodes) to a point raised in New Brunswick and perhaps elsewhere by parties interested in this measure. It is said that in the compromise effected by the farmer there is no protection to the farm labourer for his wages due. I understand he has to come in as an ordinary creditor and take his cut. In all other acts where a compromise is effected, I believe the labourer is always protected as a preferred creditor. The question arises in that province: Should the labourer not be a preferred creditor under this act?

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Chairman, the Farmers' Creditors Arrangement Act, introduced in this house last year by the hon. Minister of Finance (Mr. Rhodes) with the approval of the right hon. the Prime Minister (Mr. Bennett), is now back before us for amendment.

This act may suit some of the provinces, but it is not in the interest of the province of Quebec, for it is doing more harm to the credit of the farming class of Quebec than any other bill ever introduced in this house, except the conscription bill of 1917. When the prime minister moved the adoption of this bill, last year, he thought he had found the remedy for all our evils. I think he was greatly mistaken, as this bill means the conscription of the capital of the retired farmer and the ruination of the credit of the farming class.

Throughout the beautiful countryside of the province of Quebec you will find, Mr. Chairman, in nearly every village, fifteen or twenty retired farmers who, after having worked their farms during twenty, thirty or forty years and, in most cases, raised a large family, are ending their days in the shadow of the village church. Through the practice of economy, they have succeeded in setting aside for their old days from $4,000 to $10,000, and sometimes more. These worthy farmers, who have spent their lives on the land, have, in many cases, invested their all in first and second mortgages on farms. In our province, as you know, very little investment money comes to rural regions from outside; most of the mortgages are held by retired farmers in the villages and the surrounding country.

This infamous act, in force since last year, has given the worst possible results. It provides that if a farmer goes to the representative appointed by the government in each county to effect compromises between creditors and debtors and hands him the list of his debts, the receiver will immediately call upon the creditors to appear before him and, in many cases, the amount due by the farmer is reduced from forty to fifty per cent. Can it be considered reasonable to take away nearly half the savings of a worthy farmer who has toiled during forty or fifty years to provide himself with a small nest egg? I repeat, Mr. Chairman, that it is a crying injustice. A prime minister who proposes the adoption of such a law proves by the very fact that he knows nothing of the distress of the farming population of the province of Quebec.

Our farmers are quite willing to pay their debts, but, in order that they may do so, we must assist them instead of acting as the government does. Since this government came to power, they have done everything possible to penalize the farmer. First, they have not kept their pledges of 1930. The Prime Minister had promised everyone better prices for their products; he was to open new markets abroad, and thus relieve the situation. But, on the contrary, since he came to power, year after year he levied new taxes on farmers and, by this great bill, he takes away from them what was their most valuable assest, and that is credit. In the rural centres, nobody will now lend money to farmers because of bill No. 10. Why has the government such a grudge against the farming community, seeing that they ruin their credit; and why have

they such a grudge against the small investor, the rentier, seeing that they are conscripting the capital which it took so many years for that man to gather? Why is the government always going after the small investor instead of the big capitalist?

The right hon. the Prime Minister, who, on more than one occasion, has paraded as a dictator after the fashion of Mussolini and Hitler, ought to read in the papers how Hitler is acting to get the money he needs. He does not go after the poor fellow only; he begins with those who have wealth. Our Prime Minister would do well to follow that example; he would do well to assist those who have no money and to get the money from those who possess it.

Mr. GOBEIL: Mr. Speaker, I rise to a point of order. The other day the Liberal whip objected to an hon. member on this side of the house reading his speech. He was at the time making a very careful statement that he wanted to be accurate. I object to the hon. member reading every word of his speech.

Mr. FAFARD: He is just consulting his notes.

Mr. SPEAKER: The hon. member will kindly not follow his notes too closely.

Mr. ROBERGE (Translation): Mr. Speaker, if the Prime Minister was following Hitler's example, our farming community would be better off.

Here is what we read in the newspapers concerning Hitler:

Conscription of money by Hitler: Large powers have been given Von Krosigk, finance leader in Berlin. Money levies are made from banks and individuals who will be forced to deplete their reserves.

Mr. GAGNON: Still reading.

Mr. ROBERGE (Translation): Mr. Speaker, I am against conscription not only of money but against all sort of conscription. But that is the principle on which is based every legislation brought down by this government since they came to power and which has been so injurious to our farming population and our working class.

I have put questions on the order paper in respect of this farmer's creditors arrangement act. I suppose the hon. member for Compton will not challenge the accuracy of answers which were given by the Minister of Finance. Here is my question:

How many farmers of the county of Mégantic-Frontenac have effected a settlement under the Farmers' Creditors Arrangement Act?

Mr. Rhodes:

Records are kept on the basis of judicial districts. The county of Mégantic-Frontenac is partly in the judicial district of Arthabaska, partly in the judicial district of St. Francis and partly in the judicial district of Beauce.

In the judicial district of Beauce 35 settlements were reported to the end of January.

In the judicial district of St. Francis 35 settlements were reported to the end of December, 1934.

In the judicial district of Arthabaska 3 settlements were reported to the end of December, 1934.

On February 25, the Minister of Finance gave an interview to the press and here is what I find in the papers:

Hon. E. N. Rhodes, Minister of Finance, announced that, at the end of January, 9,290 farmers of the province of Quebec had asked for information from official receivers regarding the Farmers' Creditors Arrangement Act. 1,703 proposals had been submitted and there had been voluntary settlements in 226 cases.

Mr. Chairman, I represent a county with a population of more than 5,000 farmers. According to the minister's answers and his interview in the papers, only three farmers in my constituency have taken advantage of that act and that same act has been injurious to the 5,000 farmers in my county. I say, Mr. Chairman, that this act is the most unfair ever passed by this house, that it is ruining the farmers' credit and is creating conscription of the money owned by the village rentier in our beautiful province of Quebec.

Mr. ONESIME GAGNON (Dorchester): I shall not attempt to follow the arguments of the hon. member for Mégantic (Mr. Roberge). Everyone knows that every year the old gentleman repeats arguments along that line, and he has not even the courage to learn them by heart. For the benefit of those who do not understand French I shall translate briefly what he has said. According to him this law is unjust, arbitrary, and one that will destroy the credit of the farmers. Mr. Speaker, when you hear such expressions of opinion you wonder what is the opinion of the leaders of all parties in this house; because you remember, Mr. Speaker, last year, when this legislation was brought before the house, not one member of the chamber voted against it. We must suppose that the leaders of all parties did not vote on such an important legislation without having studied it attentively. I give credit to the leaders of the Liberal party for at least knowing what they are speaking about, but it is amazing to hear an old man like the hon. member for Mégantic who has been a merchant all his life, who has lived with farmers, saying as a member of the Liberal party that this law is

bad, unjust, and one that will destroy the credit of the farmer, when he and all his friends on that side of the house voted for this legislation. And now what do we see? Do we see the leaders of the Liberal party move an amendment in order to correct the so-called bad character of this law? You will not see any hon. gentleman from the other side move an amendment, because they realize, and understand that this legislation, although new in its character, is nevertheless a great instrument of social justice and social peace. This legislation has received the approval in Quebec of the bishops and the general approval of the unions of Catholic farmers all over the province. Now, Mr. Speaker, is it just that one with the experience of the hon. member for Mégantic should attempt to make the people believe that this law is devised in order to destroy the credit of the farmers?

What is the purpose of this legislation? It is merely to provide an instrument whereby creditor and debtor will meet at a common table and discuss ways and means whereby the creditor will give the debtor a chance and try to prevent the debtor from being crushed by his creditors. What has taken place in the province of Quebec? I have news from my district, where the farmers have suffered perhaps more than the farmers of the county of Mégantic. I have a letter here from one official receiver who tells me that at the present time fifty per cent of the farmers are unable to meet their debts. With this new legislation will the creditors lose their equities? Not at all; they are only invited to meet their debtors before the official receiver and discuss ways and means by which the debtors may try to meet their obligations and redeem their property. If the creditor is not satisfied he may appeal to a board of review composed of three eminent gentlemen, a judge, a representative of the farmers and a representative of the creditors. In almost every case an equitable arrangement has been effectuated before the receiver. In other cases the creditor or the debtor has been called before the board of review, and I dare say that ninety cases out of a hundred have been amicably and equitably settled.

It is useless to discuss the arguments raised by the hon. member for Mégantic. I think the hon. member for Témiscouata (Mr. Pouliot) said yesterday, and the hon. member for Laprairie-Napierville (Mr. Dupuis) said the other day, that this legislation is unjust, arbitrary and ultra vires. I do not intend to discuss this legislation along political lines. For God's sake let us forget political quibbles when dealing with such an important problem.

[Mr. Gagnon.]

I believe hon. gentlemen opposite are good citizens; I give them credit for that. They love their constituents and try to help them just as we do on this side, but why should any member seriously state that legislation so just and so equitable in its character is unjust, arbitrary, ultra vires, when hon. gentlemen opposite dare not move a single amendment in order to remedy its so-called obnoxious effects. This is only the second reading of the bill. We will take up the matter in committee, where we may discuss it for hours and days. I respectfully invite the Liberal leaders from Quebec to come to the front, show their hand and state whether this is good or bad, just or unjust, and whether or not it is an instrument of justice and goodwill which will help prevent the debtors from being crushed by unjust creditors.

I am a lawyer, Mr. Speaker; I cannot forget that, and I say that before the law the creditor has just as much right to be protected as has the farmer. It would not be wise or prudent for a lawyer or even an ordinary layman to try to pose as the champion of the debtors as against the legitimate rights of the creditors, but I should like to offer some special observations which affect only the province of Quebec. In that province we have a deed of sale which is not common to all the provinces of Canada; it is commonly called vente à réméré, or in English, a deed of sale containing a clause of redemption. For the benefit of those from other provinces who are not familiar with this form of deed let me state as clearly as possible the essence of this instrument. Let us suppose that A, a debtor, meets B, a creditor, and that A borrows from B the sum of $500. A and B may sign a deed of obligation under which the creditor will take a mortgage on the property of the debtor, but from time immemorial in the province of Quebec creditors and farmers have used another instrument called vènte a réméré, or a deed of sale with a clause of redemption. Let us see how it is operated in our province. Let us suppose that A the debtor borrows $500 from B, the creditor. Instead of taking a mortgage on the farm of the debtor, B agrees that the debtor shall sell his farm to the creditor, though in many cases the value of the farm may far exceed the amount of the obligation. For instance, a debtor who borrows $500 may sell to the creditor a farm worth $3,000 or $5,000, and for the last twenty-five years the creditors in my district have signed such deeds of sale.

During the war farms were worth much more than they are worth now. Some farms

worth from $3,000 to $5,000 at that time could not be sold now for $2,000. What is the present situation of the debtor who has borrowed $500 and transferred to the creditor his farm worth perhaps $3,000? When the debtor has not reimbursed the creditor to the amount borrowed, on the expiration of the period provided for in the deed of sale the creditor has the option of keeping the farm, so if the creditor has no sense of justice or if he abuses his rights he may retain a farm worth $3,000 for which he has given only $500. It is all very well for a lawyer to recognize the sacred, legitimate rights of the creditor, but I humbly submit that in law and in equity the creditor ought not to require the debtor to pay more than the amount borrowed plus a legitimate rate of interest. I do not attempt to pose as a demagogue; because I represent a rural constituency I do not attempt to deprive the creditors of their legitimate rights, but I say that when a farmer has borrowed $500 from a rentier or creditor, giving as security a farm worth $3,000, the creditor ought to receive his $500 and a good rate of interest, perhaps even with a bonus, but that it is unjust and against the most elementary principles of fairness that the creditor should retain the farm.

Unfortunately, Mr. Speaker, in the province of Quebec there are creditors who do not possess even an elementary sense of justice, and who have thus acquired many farms in my district. I know of one man who is the proprietor of half of the farms of the parish. He was a rich merchant, and he advanced merchandise and money to the farmers, who sometimes were invited by way of security, to sign a deed of sale, with a clause of redemption. And when times were so bad that the farmer could not repay the money the creditor said: "Hold on; I shall exercise my option, and keep the farm." The farmer would be obliged to leave his farm, and in some instances farms have been vacated which have been in families for more than two hundred years. Those are the creditors who go to consult lawyers and urge them to go before the courts and argue that this legislation is unconstitutional and ultra vires. Those are the creditors who go to see hon. members such as the hon. member for Mégantic and urge them to come to this house and say that the legislation is bad, that it is unjust, and deprives the people of their legitimate rights.

I humbly submit to the Minister of Finance that steps ought to be taken whereby creditors will not be permitted so arbitrarily and inhumanly to exercise their rights. I know very well that if we attempted to move an amendment which would in any way affect the civil code of the province of Quebec such amendment might be attacked on the ground that it was ultra vires. I humbly submit however, and do not fear opposition when I state, that the creditor ought not to receive more than is due him, plus a legitimate rate of interest and even a bonus. Of course I agree the creditor is not obliged to loan money for nothing, but I understand too that in times of stress legislators have a duty to prevent creditors from being too harsh with debtors. That is the purpose behind this legislation, namely to permit the farmer to breathe in peace and hope for better times.

What do we hear? We hear some people argue that this law is unjust. Let them take it before the courts and I do believe the judges will recognize the humanitarian character of the legislation and will sanction its validity. I have been in close touch with judges on the board of review and even with officers of the department in the province of Quebec, because, as I stated previously, my constituency is one which has suffered greatly from the effects of the depression. In my constituency the farmers are in very bad circumstances. I know that at the present time the attorney general of the province of Quebec is studying the law in order to find a way to help the farmers. Hon. members from that province will realize that although I have a strong partisan spirit I am discussing this matter in an equitable way. I shall not attempt to accuse Mr. Taschereau of being unfair. I know he is studying this problem, a very difficult one, because it has always been a very difficult task to deal with acquired rights. In the province of Quebec a great many of the creditors are proprietors of farms, and it is very difficult for the legislature to pass legislation whereby the legitimate rights of creditors might not be infringed.

Nevertheless I urge the Minister of Finance to continue his negotiations with the attorney general of Quebec in order to find ways to help the farmers. As I stated previously it is only just and equitable that creditors be paid, but nevertheless they ought not to exact more than the legitimate pound of flesh. They ought to let the farmers breathe and permit them to stay where their families have lived in some cases more than two hundred years. When the Minister of Finance speaks on the bill I should like him to give us some of the details of the correspondence he has exchanged with the attorney general of Quebec, and I should like him to let us know

whether or not we may hope that this complicated and difficult problem may be adjudicated upon here and in that province.

Mr. MARCIL: Would the hon. member permit a question?

Mr. GAGNON: Yes.

Mr. MARCIL: I ask the question only for information, because the hon. member is apparently well posted in the matter. Would he tell us what has been done by the legislature of Quebec in connection with a moratorium, or something of that kind? Was not some legislation passed, either last year or the year before?

Mr. GAGNON: Yes.

Mr. MARCIL: Is the question now pending before the legislature?

Mr. GAGNON: Yes. The point raised by the hon. member for Bonaventure (Mr. Marcil) is well taken. It is true that in the province of Quebec there is a moratorium whereby a creditor who has a claim guaranteed by a mortgage on a farm cannot sue the debtor if that debtor has paid his interest and his taxes. Of course that legislation is only of a temporary character, and if I were too much of a partisan I might take the view, a view which has been taken in some quarters, that the moratorium may have helped to destroy the credit of the farmers. I will not make that statement, however, because I want to approach the problem from a non-partisan standpoint. We must realize, however, that the moratorium legislation is only of a temporary character.

This new legislation, however, will have the effect of settling once and for all the difficulty existing between farmers and their creditors. When a farmer and his creditor appear before an official receiver they have the opportunity to agree upon a settlement which will give a satisfactory arrangement to both. According to information apparently in the possession of many hon. members it would appear that in many cases in the province of Quebec the amount of the claim registered against the farm has not been changed, and that only the rate of interest has been affected. In some cases money has been loaned at rates of five per cent, six per cent or seven per cent, and now we hear that creditors and debtors have gone before a board of review and in some instances have agreed to reduce the rate to two per cent or three per cent. I believe we cannot too greatly congratulate creditors who have such a commendable sense of justice as to reduce interest rates to such an extent. A creditor who would do that ought to receive the congratulations of every hon. member because he shows he is endowed with humanitarian principles. In some cases the amount of the claim has not been changed, but the creditor and farmer have agreed to postpone the date of settlement.

All these details go to show that this legislation will not deprive the creditor of his legitimate rights, but will serve to indicate that it is a law of compromise and one which will tend to make for peace between the debtor and creditor. Once a debtor has made an amicable and equitable settlement with his creditor his credit is restored. It may be advisable to pass an amendment to the law whereby it would be enacted that the legislation we are now passing would not affect future deeds. I realize that in the future some people may have difficulty getting money from rentiers. An amendment might be suggested whereby it would be enacted that in the future this legislation would affect only past transactions. However, I leave that matter to the judgment of the house and for the attention of the Minister of Finance.

There is another aspect of the legislation which I desire to bring to the attention of the minister. If hon. members will read sections 2, 3, 4, 5 and 6 of chapter 53 of the statutes for 1934, namely: The Farmers' Creditors Arrangement Act, they would find that that legislation is complementary to the Bankruptcy Act, because the official receivers are given powers which belong to receivers under the Bankruptcy Act. I would respectfully draw the attention of the minister to the fact that in 1932 we amended the Bankruptcy Act and the effect of that amendment was that the Bankruptcy Act does not now apply to the farmers of the province of Quebec. In other words, whilst the farmers of other provinces may go into bankruptcy and make an arrangement with their creditors under the Bankruptcy Act, the farmers in the province of Quebec have no such rights, and that might be dangerous because of section 6 of the Farmers' Creditors Arrangement Act, 1934, which reads as follows:

(1) A farmer who is unable to meet his liabilities as they become due may make a proposal for a composition, extension of time or scheme or arrangement either before or after an assignment has been made.

(2) Such proposal shall be filed with the official receiver who shall forthwith convene a meeting of the creditors and perform the duties and functions required by the Bankruptcy Act

to be performed by a trustee in the case of a proposal for a composition, extension of time or scheme of arrangement.

Now if the official receiver gives a notice of discontinuance of proceedings, for instance, his rights might be impeached because a creditor might argue before the courts of the province of Quebec that the powers which the receiver has are very limited in nature because he gets his powers from under the Bankruptcy Act, and the Bankruptcy Act does not apply to the province of Quebec. I wonder if it would not be worth while to refer that point to the Department of Justice to find out whether it would be necessary to amend the Bankruptcy Act. But I may be too presumptuous; the minister may have an answer. Nevertheless we read in the newspapers of the city of Quebec that a creditor is serving notice upon the attorney general and the Minister of Justice that this bill which we are discussing is unconstitutional. I do not see myself why it would be ultra vires; I cannot see why the creditor would allege its so-called unconstitutionality. Since the matter is pending before the courts it might be wiser not to discuss it further, but in view of the litigation which is going on perhaps it would be wise to study the question anew from all angles so as to prevent any abuse of the rights of creditors before the courts.

May I finish my humble remarks with the wish that the negotiations which are now pending before the hon. Minister of Finance and the attorney general of Quebec may be successful. I do hope that a way will be found whereby the rights of a creditor whose rights are guaranteed by a deed of sale under a clause of redemption might be recognized. On the other hand, the debtor will be able to redeem his property and make an equitable settlement with his creditors and hope for better times.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, if I rise to make a few remarks on this bill it is only to endorse the remarks which have just been made by the hon. member for Dorchester (Mr. Gagnon) who stressed particularly one or two points.

He commenced by referring to the speech which was made by the hon. member who preceded him, the hon. member for Mégantic (Mr. Roberge). When I rose to a point of order while the hon. member for Mégantic was speaking, some hon. members may have thought I should have allowed him to proceed, but I did it for the reason that has just been given by my hon. friend from Dorchester. If you, Mr. Speaker, or the house, understood, the remarks sometimes made by the hon. member from Mégantic I do not think he would be allowed to make them because I regard them as unworthy of this house.

The hon. member for Dorchester translated a few of the remarks made by the hon. member for Mégantic, but he did not translate them all. I shall not translate his whole speech but I should like to translate one other remark which the hon. member for Mégantic made. He said that there never was a law passed by this parliament so infamous as this one except the law of conscription in 1917. The other day I heard an hon. member opposite say that conscription was a dead issue. My hon. friend from Dorchester said yesterday or the day before that it was not a dead issue, and you can see very well, Mr. Speaker, what is likely to happen in the few months that are ahead of us. That is why I objected to the remarks of the hon. member for Mégantic. In a most inoffensive way he proceeds to read his speech, every word of it—

Mr. DUPRE: And in a low voice.

Mr. GOBEIL: —and in such a low voice that even those who understand French could hardly hear him, but he gets his remarks in Hansard, remarks that I do not think any other member of the house would dare to make. I have almost come to the conclusion, and I suggest, that it looks very much as if the hon. member for Mégantic was not speaking for the house when he speaks in this chamber but rather for the purpose of having his words put on Hansard so that he can send his speech out to his electors. Just now I know that the hon. member is using his frank to mail out thousands of copies of the remarks he made last week, some of which were just as bad as what we have heard to-day. That is all I have to say on that matter, Mr. Speaker, except to repeat and endorse what was said by my hon. friend from Dorchester that some of the leaders of the members from Quebec should take a stand and state whether or not they endorse the remarks and opinions expressed by my hon. friend from Mégantic.

Mr. DUPRE: Hear, hear.

Mr. GOBEIL: The hon. member for Mégantic says that this law is infamous, unjust, unfair, and that it is causing a lot of damage. Certainly not to the farmers, Mr. Speaker. This house has unanimously expressed the opinion from all sides that our farmers are a class of citizens that have been the hardest hit by the depression. If that is so, it may be a reason for this law which is perhaps in a certain way a law of exception, giving to the farmers of Canada perhaps a little advantage

over other classes of the population. If that argument is true, if the farming class has been the hardest hit by the depression, I do not see any objection to their having this little advantage, and if they are not harder hit than any other class, then the opinion expressed by the hon. member for Swift Current (Mr. Bothwell) and by the hon. member sitting on this side of the house might pass, and there might be a general reduction of debts between individuals and of all internal debts in this country. But it seems to be unanimously agreed that it is the duty of the government to protect the poor man, and that is why in my opinion this law is being passed. I understand that in certain cases in the small rural villages the people are being led to believe, and I am very much tempted to say that some hon. gentlemen opposite are responsible for this opinion that has been spread around the country, that this law was doing damage to the creditors. In my opinion that is altogether wrong. This does protect the creditors, just as much as it does the debtor, and I know personally of cases where it has been clearly shown that the act has operated beneficially to the creditor. I have a letter from a trustee—it is dated February 25 and I received it yesterday—with reference to a farmer who offered his creditors fifty cents on the dollar. They did not see fit to accept.

Mr. DUPUIS: The secured creditors also?

Mr. GOBEIL: Secured creditors. They did not see their way to accept the offer. They had the statement before them and they examined it thoroughly, and finally they realized there was nothing for them; their claim was lost. Now this law does not put anyone in the position of losing his money. If I have loaned $1,000 and am unfortunate to lose that loan this law does not make my situation any worse; it is intended to help it. In this particular instance the creditors realized that the act was helping them, because after refusing fifty cents in the dollar they came back later and offered to accept it. The man replied, "I thought at the time I made the offer that I could get the money, but on inquiry since I have found that I cannot, and unfortunately you will have to take over the property." Finally, the trustee informs me, a settlement was made on the basis of fifty cents in the dollar for secured creditors and tewnty-five cents for ordinary creditors, and the matter did not go to the board of review. It was settled mutually, and the trustee writes me that the debtor and the creditors went home happy. The creditors were not as happy as they would have been if they had got one hundred per cent of their claim, but considering the circumstances of this man they felt that they had reason to be satisfied. I know of another farmer whose debt was reduced; the amount involved was $3,342. There again the debtor and creditors came to a mutual understanding and they parted shaking hands. There are two or three more cases of this kind which I will not bother to refer to just now.

[Mr. Gobeil.]

I contend that this act does protect the creditors, if not to the same extent, at any rate in principle, as it does the debtor. In this very instance to which I have just referred, every hon. member knows what it would cost if the property of this man had been sold by process of law at a sheriff's sale. They know very well that quite often the cost is as high as $500, $600, $700 or $800. But by this act the property is disposed of in such a way that the creditors get every cent that it brings. For that reason, therefore, it seems to me that the hon. member for Mégantic should make himself better acquainted with the law. I certainly do not suggest that he speaks in bad faith, but either he does not understand the law or his good faith can be very much doubted. I was going to refer to another question but this is all I will say for the present.

Mr. ERRICK F. WILLIS (Souris): While thousands of cases have been settled under the Farmers' Creditors Arrangement Act, I would point out that there are many that have been settled outside the act itself; but the fact remains that these settlements have been brought about because of the existence on the statute books of that act. I will cite only one case, which is a good example. A farmer owed the bank in my territory the sum of $9,500. He went to the manager of the bank and informed him that he would make application under the Farmer's Creditors Arrangement Act, and the banker suggested that he wait for two weeks until he could consult head office. The farmer agreed not to make application, and in ten days' time the bank manager called him in and said that the bank was willing to reduce the indebtedness from $9,500 to $2,500, and give him four years in which to pay. That arrangement was made possible by the existence on the statute books of the Farmers' Creditors Arrangement Act. It was the Royal Bank of Canada.

Mr. DUPUIS: Where was that farm—in the dried out area?

Mr. WILLIS: It is in the dried out area, and it is also on the edge of the Turtle Mountain forest reserve, one of the best farming countries in Canada. There were no other reasons in connection with the settlement than the fact that the bank realized that by their action they would place this man back on his feet. If the bank had been unwilling to make that arrangement the man would have left his farm and the bank would have had to start foreclosure action. The bank did not want to go into the farming business and so they did a very wise thing. The result is that this man, having now to pay only $2,500 owing to the bank, finds that his other creditors are willing to extend him credit, which they would not do while he owed the bank $9,500. Through the existence of this act, and without making any application, this man is back on his feet. I could tell of other instances where individual debtors went to their creditors and suggested the wisdom of applying under the Farmers' Creditors Arrangement Act, and forthwith the creditors have got together themselves, not under the act, and made a settlement which was satisfactory to the farmer.

In my area, which includes all the dried out area of Manitoba, the official receiver is exceedingly busy. I have seen him on different occasions at the close of the day and he has said to me, "I have made two, three, five settlements to the satisfaction of creditor and debtor alike." The big advantage of this act as compared with the other acts in the provinces, and both have their value, is that this is a debt adjustment act; it is not a debt postponement act as the others are. The acts in the provinces are debt postponement acts and they have their value, even as this act has its value. It depends on what the farmer desires, whether he desires to have his debt postponed or to have it definitely adjusted, as to which he ought to embrace. But while evidence may be adduced as to thousands who have been benefited by the act, there are also I should say, hundreds and maybe thousands who have been benefited due to the mere existence of the act, owing to the fact that the creditors realize they must make a settlement lest they come before the official receiver and finally the board of review.

Mr. V. C. PORTEOUS (North Grey): Lest the impression go abroad that the majority of the farmers of the dominion are taking advantage of the Farmers' Creditors Arrangement Act, I would like to say that only a very small percentage of the farmers need to make application under it. The act provides a wedge as it were between nothing at all and the Bankruptcy Act, and I too should like to support the statement of the hon. member for Souris (Mr. Willis) inasmuch as a great many settlements have been made as a result of this legislation being on the statute books.

We have in my constituency a very fine official receiver. When I was talking to Mr. MacPherson the other day, he told me that he thought our official receiver was the best man to promote settlements of any one he had in the dominion. Our receiver told me he made almost two hundred settlements which he never made officially but which he negotiated between the creditors and the debtors. I think he has done fine work and in fact all the official receivers are doing fine work in that connection.

I believe this legislation is only temporary; at least I hope it is. It is serving a temporary purpose. Farmers as a result of the depression and of climatic conditions find themselves embarrassed financially and they must have more freedom in connection with meeting their indebtedness. I want to cite one instance because the hon. member for Swift Current (Mr. Bothwell) stated that the mortgagees were not as willing to reduce their mortgages as the unsecured creditors were to reduce their accounts. In my constituency we had a case where a mortgage had reached the sum of $4,500 on a one-hundred acre farm. When a meeting of creditors was called, the mortgagee reduced that mortgage to $2,500 and in that case he reduced it more on a percentage basis than was the case with the unsecured creditors. There are a good many instances of that character.

I had the privilege of sitting in at the meeting of the tribunal held at Ottawa a short time ago and I saw exhibited by a farmer the finest spirit. This was a case where a young farmer had taken over all the indebtedness of his father. In 1920 the farm had been bought by the father for $9,000 in addition to $4,500 worth of stock and equipment. The total purchase price was $13,500 and the farmer had paid $7,500 in cash. Prior to 1930 the indebtedness had been reduced to $4,000, but during the last three or four years this man had found himself with little or no crop and his indebtedness was increased to about $4,900. Together with that he had borrowed $500 in order to meet his obligations. The decision of the tribunal was very fair. They decided to reduce the secured debt to $4,400 and they also reduced the rate of interest from seven to five per cent for the

first three years. But that was not all. They decided that they would ask the unsecured creditors to take 75 per cent of their claims and this young farmer said he would not be satisfied to do that. He said: "I want to pay these people who loaned me that money every cent I borrowed from them." That is the spirit of many farmers who have to make application under this act. They want if at all possible to pay their debts. They want reduced interest rates, but they are willing to pay so far as possible every dollar of the principal. I believe that young farmer will pay every cent of that indebtedness and in a few years will be again on the road to success. That is the spirit which we should endeavour to encourage and which this bill is lending itself to encourage among the farmers of this dominion.

Mr. VINCENT DUPUIS (Laprairie-Napierville): I have just a few words to say about this legislation. I shall not follow the hon. member for Dorchester (Mr. Gagnon) in regard to the provincial field. I have not the advantage of being under the illusion of being a chief of a great party because I never went to the Sherbrooke convention. But I will discuss this matter simply as we have it before us. The hon. gentleman says that he is doubtful about this act having the force of law in Quebec because in 1932 there had been an amendment to the Bankruptcy Act, excluding farmers from its provisions. I would direct his attention to this Compromise and Arrangement between Farmers and Creditors Act, article 2, subsection 2, which reads:

> This act shall be read and construed as one with the Bankruptcy Act, but shall have full force and effect notwithstanding anything contained in the Bankruptcy Act, and the provisions of the Bankruptcy Act and bankruptcy rules shall, except as in this act otherwise provided, apply mutatis mutandis in the case of proceedings hereunder including meetings of creditors.

I do not know if I am giving a wrong interpretation of this section, but in my opinion it means that this legislation will apply to the whole country notwithstanding anything contained in the Bankruptcy Act. Hon. members on the other side have discussed special cases, as examples to show that this legislation is of advantage to both farmers and creditors. I do not think we should discuss this question on that basis. We should consider whether the present legislation and the proposed amendment are so drafted as to give power to the board of review and the officers to force a creditor to reduce his claim even if it is secured as provided in section 7 of the Farmers' Creditors Arrangement Act, which reads:

> A proposal may provide for a compromise or an extension of time or a scheme of arrangement in relation to a debt owing to a secured creditor, or in relation to a debt owing to a person who has acquired movable or immovable property subject to a right of redemption, but in that event the concurrence of the secured creditor or such person, shall be required, except in the case of a proposal formulated and confirmed by the board of review as hereinafter provided.

My interpretation of this section is that even if the creditor refuses the proposal of the debtor-farmer the case may go to the board of review, which in the province of Quebec is composed of a judge of the superior court, a representative of the creditor and a representative of the farmer. If that board of review decides from any consideration whatever that the creditor, whether secured or not, shall reduce his claim, its judgment is final, there is no appeal. That is the law as it stands to-day, and this section 7 is not to be amended by the present bill. That legislation is I submit unconstitutional, because it infringes on the provincial jurisdiction over property and civil rights. If it has not been applied in the province of Quebec, as stated by an hon. member on the other side, I am under the impression it is because the judges are reluctant to apply it anticipating that such judgment would be appealed and reversed. Nevertheless the law is there, and I submit that as it stands now the board of review can reduce the claim of a secured creditor; as we say in our civil code he may reduce hypothecatory claims just as well as ordinary claims. Consequently I believe that is unconstitutional.

If you permit me I shall discuss this legislation from another angle. We have the Farmers' Creditors Arrangement Act. A few days ago we passed the second reading of the Canadian Farm Loan Act. By that act a farmer will be allowed under certain conditions to borrow money from this country. Let me take a definite case: suppose a farmer from the county of my friend the hon. member for Dorchester makes application to borrow money from this government to cover indebtedness already incurred due to the crisis or to lack of a market or any other cause. Suppose this farmer owns a farm valued at $10,000 in normal times, and that his stock and implements and buildings have a value of $3,000; that leaves him a total equity of $8,000. He owes to secured or unsecured creditors the sum of $5,000, and applies for a loan for that amount. Let us suppose

that the farm loan board is not so severe regarding valuation as they used to be. As it is getting nearer and nearer to the day of the election, which will come like a thief in the night, this commission will be more ready to lend money to these poor farmers. So this farmer is able to borrow that $5,000. As the years pass he finds he cannot repay his obligation to the government. Is it not possible that this farmer will take the weapon that has been given him by this present government, that is the Farmers' Creditors Arrangement Act, and make application to have his obligation reduced by 50 per cent, and to defer the payment of interest for three or four years? Under these two acts the farmer will first be able to borrow money from the government through the farm loan board; then years afterwards, he will be able to ask from the same authority a 50 per cent reduction of his debt under the Farmers' Creditors Arrangement Act. That is the situation as I see it. Therefore is it not true to say that economically speaking, due to lack of prudence on the part of this government, this Canadian Farm Loan Act will result in a deficit of many millions of dollars out of this $90,000,000 that the government is presently ready to place at the disposal of the farmers?

I do not believe that the farmers are so anxious to avail themselves of the facilities of the Farmers' Creditors Arrangement Act. Hon. members know perfectly well that generally speaking the farmers are honest and industrious and hate to be obliged to take advantage of such legislation. They would rather meet their obligations. They are sorry to be required to humiliate themselves, as they must do to take advantage of this legislation. The only thing they want is sufficient income to enable them to meet their obligations. I may tell this government that if they are putting forward this legislation in order to please an important class of our community before the election I am afraid this legislation will not help them very much. As I have already said, the farmer is more anxious to sell his goods than to borrow money and have to beg his creditors to reduce their claims. The farmers know very well that if they take advantage of this legislation they destroy their credit forever. In the province of Quebec farmers generally loan money to each other, and they know very well that if they go before a board of review and have their indebtedness reduced, in the future they will not be able to borrow a single dollar either from other farmers, from loan companies or from banks. If this is put forward as a social measure I believe it is a kind of socialism that will lead this country to destruction. Many times in this house hon. members have quoted the statement of the Prime Minister that he would succeed or perish in the attempt. I think in bringing forward this legislation he is tempting fate; I believe he will perish.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I do not wish to delay the second reading of the bill, because I believe a good deal of the discussion we have had should have come during the committee stage. I just want to say that we supported the bill last year because we believed a very serious situation existed throughout Canada with regard to agriculturists. There is no compulsion on the part of the agriculturist to take advantage of this legislation; if he does so it is of his own free will. Last year the hope was that to some extent this legislation would relieve the very serious situation of agriculture, and after all I think we are agreed that if the farmer is not successful in his calling every other business is going to suffer in consequence. While this legislation is fairly drastic and may cause some distress—we are bound to admit that—we believe that if we can relieve many of those who constitute the wealth producing classes of the country, even though it may entail some temporary sacrifice on the part of others, in the long run it will be for the ultimate benefit of the whole.

I believe that is still the feeling on this side of the house. I am not familiar with how the act has worked out, though I have had two or three instances come under my observation. To me the appeal of this legislation lies in the fact that if a man does not want to take advantage of it he need not do so; if he can compromise with his creditors without it that is his privilege, and undoubtedly, as has been pointed out by some hon. members this afternoon, if that alternative is followed the farmer is in a much better position than he would be in by taking advantage of this legislation. In that case it is a compromise between the parties who are affected and the farmer is not placed in the position of having to declare himself more or less a bankrupt. As I understand the act that is the position he is in when he takes advantage of it. I do feel that if this legislation will help even a moderate number of people by allowing them to remain on their farms, then a good purpose will be served. Any further observations I have to make I will reserve until we are in committee.

Mr. H. E. SPENCER (Battle River): I do not wish to delay second reading of the bill, Mr. Speaker, but I should like to say I believe this is extremely necessary legislation, and I am glad these amendments are being put forward to improve the act we passed last year. I think we have had evidence from all sides of the house, from members representing agricultural districts, clearly showing the need for such legislation. If I were to offer any criticism at all it would be that in western Canada the judicial districts are somewhat large, and in some cases we find that men who want to take advantage of the act must travel 150 or 200 miles in order to interview the official receiver. That is one drawback, but I think there are great possibilities in this legislation; up to the present I do not think we have appreciated the good it may do. We have seen something of the possibilities, but I hope that within the next twelve months a great many agreements will be made between debtors and creditors with the aid of the two measures that have been before this house for amendment, the farm loan act and this measure.

I do believe, however, that some provision should be put in the act if possible to limit the rate of interest that may be charged, because up to the present the rates of interest have been altogether too high.

Mr. A. U. G. BURY (East Edmonton): Mr. Speaker, I do not believe I spoke last year when the original bill was under consideration, but I should like to say a few words on the second reading of this amending bill. The measure passed last year, together with the present bill, did not arise out of any local difficulty affecting the farming community of western Canada or that of eastern Canada; they arose out of conditions which really constitute a national problem. It is a mistake for us to consider that this is a question concerning farmers only. So far as we in the west are concerned I think we recognize the fact that it is absolutely essential for the well being and advancement of the west that agriculture should be assisted and developed to the greatest extent possible. One of the most pressing problems in Canada to-day is that arising out of the terrible burden placed on the people of the country through the financial position of our railways, particularly of the Canadian National Railways. I think we are all agreed that the only possible solution of our railway problem is to increase our population. Certainly it would be disastrous to have the population of the agricultural sections of the west depleted, and if there were no other reason than our railway problem it seems to me that the need for helping, supporting and developing agriculture in the west would be one of major importance.

In passing, Mr. Speaker, let me say that I do not think the population of the west can be increased in any way other than through the development of agriculture. I cannot conceive of the development of industry in the west to any great extent unless it is developed by reason of the growth of the agricultural community which may furnish a home market for local industry. Apart from that there is another aspect of the matter which to me is extremely important, namely that unless the burden pressing down so many of the farmers in the west is mitigated or relieved, and unless farmers who are on the verge of deciding to give up farming because it has ceased to pay are encouraged to remain on their farms, the result will be that in western Canada we shall have large numbers of derelict farms. That of itself would be a calamity. I know that there are parts of western Canada in which the farms have been vacated and have become the seed beds for weeds, with the result that weeds have spread to surrounding lands. Every derelict farm is a menace to all the farms in the immediate neighbourhood. The mortagees or the municipal officials who have taken possession of such farms, due to default in payments of mortgage indebtedness or of taxes are immediately burdened with the additional expense of keeping down the weeds. If they do not keep them down, the provincial weed inspector comes down on them, and they find themselves in difficulties. I cannot conceive of any greater calamity to western Canada or any greater blow to agriculture than that which would result in any considerable abandonment of farms. I view this not as a problem affecting only the farmer and not as a matter concerning only the industry of agriculture, but as a national problem which must be solved if the west is to be developed. If the west is not developed the railway problem becomes aggravated, and the financial burden involved in that great problem magnified to a considerable extent. For these reasons I support the second reading of the bill.

Mr. LUCHKOVICH: How many of these cases are settled in the offices of the official receivers, and what proportion are sent to the board of review? Further, how many assignments have been made?

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, when the Farmers' Creditors Arrangement Act was passed last year there was not a dissenting voice. In

this chamber the principle was adopted unanimously, and so far as I am aware no objection was taken to the passing of the bill. The principle of the bill having thus been accepted, and in view of the fact that the present measure does not disturb that principle but is designed merely for the purpose of eliminating one or two minor defects which have been discovered in the operation of the act, and to improve the machinery for its operation, and inasmuch as there was no question of the principle of the bill being disturbed, I offered no observations in moving the second reading. That I was right in my assumption is with two exceptions evidenced by the remarks of different hon. members who have spoken. It has remained for the hon. member for Mégantic (Mr. Roberge) to exhibit absolute hostility to the bill, and for the hon. member for Laprairie-Napierville (Mr. Dupuis) to call in question its constitutionality and in other respects perhaps to indicate that he is not altogether in agreement with its principle.

The hon. member for Mégantic may represent the opinion of the farmers in his constituency who, he states, number 5,000. May I observe however that in recent months I have received not dozens but hundreds of letters not only from farmers but from other individuals. Many other people whom in the very nature of things I would not see at all have come to the department, and I have as yet to receive the first letter from a farmer or an individual complaining about the principle of the Farmers' Creditors Arrangement Act. To me that seems a remarkable circumstance, if in fact the hon. member for Mégantic is speaking for the citizens in his constituency.

I could not help contrasting his remarks with those of the hon. member for Rosetown (Mr. Loucks) who agreed with the principle of the bill but thought it did not go far enough. On the other hand the hon. member for Mégantic was bitterly opposed to the principle and said it went altogether too far. The hon. member for Laprairie-Napierville left the impression that the effect of this bill was to humiliate the farmer. As was quite properly pointed out by the hon. member for West Edmonton (Mr. Stewart) no farmer need be humiliated. He need not call into operation the provisions of the Farmers' Creditors Arrangement Act. I do not believe any farmer who does take advantage of the act need feel humiliated. What would be the object of his availing himself of its provisions? He would do so to place himself in a position to meet his obligations according to his ability. If a farmer is able to meet his obligations without referring to the act there is no necessity for his doing so.

I have not taken extensive notes, for the obvious reason that the queries which have been put to me are those which could best be answered when we are in committee of the whole, when a better opportunity for questions and answers is afforded. At that time I shall be pleased to give information in detail and to answer the questions of the hon. member for Vegreville (Mr. Luchkovich). Apparently the hon. member for Laprairie-Napierville is confused between the meanings of the word "social" and "socialism." This is social legislation, but it is as far removed from even the pink type of socialism as are the poles. What is the object of the legislation? The object is to keep the farmer on the farm, and surely if there is a capitalist on earth it is the farmer.

What I have said with respect to the questions of the hon. member for Vegreville applies also to references made by the hon. member for Dorchester (Mr. Gagnon). It is true that I have had some correspondence with Hon. L. A. Taschereau, Premier of Quebec, and I should be very glad to produce it. I appreciate the difficulties in dealing with an old established law and, as may be necessary, in interfering with the civil code. While as yet there has been no legislation passed in the province of Quebec, my letter received a most cordial response from the premier, and I feel sure if he can arrange an amendment to the law which will make for a more harmonious operation of this act, he will do so. We must remember that to the extent that the law of the province of Quebec militates against the successful operation of on one hand the farm loan act and on the other the Farmers' Creditors Arrangement Act, just to that extent it militates against the citizens of that province. I have every reason to believe that the government representative of the people of the province of Quebec will take such steps as may be open to it to make the privileges possible under this act available to the citizens of that province, in the same manner as they have been made available to the citizens in other provinces. It must be borne in mind that this act has been in operation only a few short months, and yet notwithstanding that circumstance there have to our knowledge been many hundreds of settlements made outside the scope of the act altogether, but arrived at in virtue of the fact that the parties knew that if resort was had to the act a setlement would be effected. In addition to that, we actually have to-day proposals before the official receivers in the various parts of Canada exceeding seven thousand in number. When it is borne in

mind that only a fraction, although it may be a large fraction, of the farms in Canada bear a mortgage at all, and that from that number we have upwards of seven thousand proposals already before the official receivers, no more striking illustration could be had I think of the merits of this act than that one circumstance alone.

My hon. friend from Mégantic (Mr. Roberge) says that this act is designed to injure the farmer. May I point out to him that I have never known any legislation that was designed for a specific purpose, namely, to assist the farmer, to receive such unanimity of support as has the Farmers' Creditors Arrangement Act.

Having said so much I have no doubt it will be found from experience with this act, as with respect to any other, that amendments may be made to advantage as, for example, the amendments which are now submitted, and which I believe will improve its operation. When it is borne in mind that we are dealing with an entirely new set of principles and that the entire personnel having to do with the Farmers' Creditors Arrangement Act consists of men who have never heretofore had any experience in the operation of an act of this kind and have had to learn anew, to my mind it is simply amazing how successful on the whole has been the operation of the act.

The tenor of the discussion on the whole on both sides of the house to-day I think has been admirable. Very little politics was injected into it, and that was all to the good. I must however take exception to the references that were made by my hon. friend from Laprairie-Napierville, which I submit with all respect to him were entirely gratuitous, when he suggested that this is an election measure. As a matter of fact this act was passed over a year ago when there was no prospect of an election, and these amendments, as anybody will know who reads the bill, are designed merely to make a better act of one that has been on the statute book for a year.

There is much more that I might say, Mr. Speaker, but I believe it can be said to far greater advantage in committee of the whole where the various details can be discussed, where the questions that have been submitted can be answered, and where we can have question and answer.

Motion (Mr. Rhodes) agreed to and bill read the second time.

Mr. RHODES moved that the house go into committee on the bill.

[Mr. Rhodes.]

PRIVILEGE—MR. VENIOT

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I rise to a question of privilege which I wish to have laid before the house immediately.

It appears, sir, that in consequence of a speech made by myself in this house with reference to the mounted police a move was made in the court in the city of Montreal this morning asking for a writ against me for contempt of court, and that I be produced in court.

As a member of parliament I claim my privilege. I do not fear anything for anything I said on that occasion, Mr. Speaker, and if it were not taking up the time of the house I would repeat it. I stand by what I said. It is not on account of any fear that I take exception now. It is on account of the protection that as a privilege belongs to every member of this house.

I see the Solicitor General (Mr. Dupré) in his place. I would ask him if the Department of Justice has any knowledge of this matter. It was brought up in the court by a gentleman representing those who made the charge in the case, the mounted police, I think.

So far as I am concerned, in the exercise of my privileges as a member of this house, and even in the exercise of my privileges as a citizen of Canada, I am prepared to take my medicine, but I am not prepared as a member of this house to allow any lawyer representing the crown to bring my name up before the courts in a matter of contempt for what I stated on my honour as a member from my place in this house.

Hon. MAURICE DUPRE (Solicitor General): Mr. Speaker, I am taken by surprise. I did not know anything at all about what my hon. friend from Gloucester (Mr. Veniot) has just stated. This is a matter to be dealt with by the Minister of Justice (Mr. Guthrie) who unfortunately is confined to his house through illness. All I am doing at the present time is to help the Minister of Justice with his work as best I can during his absence. I shall make inquiries about what my hon. friend has said. That is all I can say at the moment.

Mr. VENIOT: Mr. Speaker, if you will permit me again, so that I may put the Solicitor General in a position to look into the matter, may I say that the press dispatch that has come out reads as follows:

Crankshaw, assistant prosecutor in the Bronfmann case, charges Veniot in contempt of court for charging R.C.M.P. with third degree methods while case proceeding.

That is the news that appears in some of the press today. Let me repeat that I am prepared to take my medicine before any of the courts. I am prepared to stand by what I said here, but I do deprecate the idea that anyone representing the crown should introduce the name of a member of parliament before the courts for contempt when he has absolutely no right to do it. We are sitting here in the highest court of this land, Mr. Speaker, and the gentleman who has brought my name before that court can be summoned before the bar of this house. We are the highest court and we have the right to do it. When I spoke in this house I spoke in the interests of the public. I spoke in order to draw the attention of the Justice department of this dominion to the way things were being carried on. I spoke on behalf of obtaining justice for those who were being ill treated, I felt, by the mounted police, and I will continue to do that so long as I have breath left in my body.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, perhaps I should make just one observation. I am sure the hon. member for Gloucester (Mr. Veniot) will receive the protection which is his right, and until such time as it is to be found that instructions have been issued by the Department of Justice that action be taken against my hon. friend, I think judgment should be withheld. I should be very much surprised to find that such instructions were given.

Mr. VENIOT: I did not say that.

Mr. RHODES: I was afraid that that implication might rest.

Mr. VENIOT: No, no.

Mr. RHODES: Then we can get no farther with respect to the matter. Perhaps on Monday, if there is any question arising as to my hon. friend's rights as a member of parliament, we can deal with it then.

Mr. VENIOT: I did not imply at all that the instructions came from the department.

Mr. RHODES: I was afraid that was the implication.

Mr. VENIOT: I was not blaming the Department of Justice at all. I wanted to know whether they had heard anything of it, because it has been done. Suppose between now and Monday an attempt were made to arrest Your Honour: I want to say to you and this house that I would not stand for your arrest; I would use force.

Mr. DUPRE: I wish to emphasize the fact that this is the first intimation we have had about it.

Mr. VENIOT: I admit it.

Mr. SPEAKER: There is no use in my making any statement in connection with the matter of privilege raised by the hon. member. He has his privilege. What I might say would neither add to nor detract from it. Is the house ready for the question?

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

Mr. RHODES: It is obvious that as we have only five minutes left before six o'clock we cannot make progress. I therefore move that the committee rise and report progress and ask leave to sit again.

Progress reported.

SUPPLY

DEPARTMENT OF MINES

The house in committee of supply.

For administration of the Explosives Act (chap. 62, R.S. 1927), $8,000.

Mr. GARLAND (Bow River): What is this vote for?

Hon. W. A. GORDON (Minister of Mines): The Explosives Act is a piece of legislation that has to do with the supervision of authorized explosives used in mines and generally where explosives are required. The act contemplates that only authorized explosives shall be used. Explosives are recognized under the act as authorized only after the most careful investigation by the technical officers of the department. The department is required to supervise the storage of explosives and their transportation, in certain instances the board of railway commissioners having authority where they are transported on railways; and the technical officers and inspectors of the department see to the storage wherever explosives are stored, in hardware stores and places of that sort. The services of the Royal Canadian Mounted Police are resorted to largely to carry on inspectional work, and that is the reason for this vote.

Mr. GARLAND (Bow River): Am I correct in gathering that the greater part of the expenditure is for the purpose of paying the inspectors, or is any part of it expended on research work in connection with explosives?

Mr. GORDON: The greater part of the expenditures is for the purposes of inspec-

tion. I do not think that at the moment any research work as such is carried on. I think I am safe in saying that in all instances where an explosive is authorized it has first been approved of by the British government or by the government of the United States or both, because extreme care must be taken to see that no explosive that is likely to be dangerous is allowed as an authorized explosive under the act. About a year or two ago a formula for an explosive was presented to the department and great pressure was brought to bear to have it recognized as an authorized explosive under the act. This is an instance that came directly before me. The technical officers were not in agreement with those who advanced the argument that this was a desirable explosive to use in mines. We made investigations into the experience of Great Britain and the United States with respect to this particular explosive and their reports were adverse.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Ross in the chair.

Mr. GORDON: When the committee rose at six o'clock I was answering a question asked by the hon. member for Bow River and was endeavouring to explain what an authorized explosive was and the method pursued to admit it. I was recalling one instance where the right to manufacture an explosive was being pressed. The technical officers of the department refused to admit it and the inventor of the process, being quite clear that his explosive was safe and a proper one to be admitted, was in the development of it unfortunately by a premature explosion gathered to his fathers. The committee can see how very necessary it is for the technical officers of the department in admitting an authorized explosive to use extreme caution.

Mr. REID: How many officers are there in British Columbia to look after the examination of explosives, and who are they? I would like to have their names.

Mr. GORDON: There is one chief officer, Mr. Leach, and under him of course there are a great many sub-inspectors, one might call them, members of the Royal Canadian Mounted Police, who are all over Canada, and take care of examinations and investigations with respect to explosives.

[Mr. Gordon.]

Mr. REID: Does Mr. Leach go out himself and personally examine powder magazines and so forth?

Mr. GORDON: Yes, he looks after examinations personally and at times of course he instructs his officers, where occasion arises, to make inspections.

Mr. REID: But there are no officers other than he with the exception of the Royal Canadian Mounted Police?

Mr. GORDON: No.

Item agreed to.

Mines branch—

For investigations of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology; wages, and expenses of testing and research laboratories; for publications, English and French; for purchase of books and instruments; for miscellaneous assistance and contingencies; and for investigations by the dominion fuel board including salaries and all other expenses, $220,000.

Mr. GARLAND (Bow River): Would the minister explain the purposes of the increase in this item?

Mr. GORDON: The increase asked for is $5,000 and the explanation is as follows: Of the increase the sum of $1,500 is for the installation of a tailing disposal plant at the Booth street ore dressing laboratory. That was necessitated by a large increase in the last two years in the treatment of ores that had been sent in in order that the proper metallurgical practice may be developed with respect to many new mines, and also by the fact that the low lying ground back of the laboratory is not sufficient to take care of the slimes and tailings. This amount is necessary to take care of the increased accommodation for tailings. The sum of $900 is for field and laboratory equipment that I believe to be quite necessary. Then the sum of $2,600 is asked for increased field examinations. I believe that is very necessary; in fact if more money were available I would like to ask for more, but we have to keep these grants down as low as we can.

Mr. STEWART (Edmonton): In what particular area will the investigations be carried on this summer?

Mr. GORDON: These are investigations all over Canada. As occasion arises where it seems necessary or desirable to make an investigation, the officers, as my hon. friend knows, go to those places and make investigations; they are not confined to any one place in Canada.

Mr. GARLAND (Bow River): The minister mentioned the sum of $2,600 for increased field examinations. Is this for the purpose of covering the salary of a new appointee or is it for travelling expenses of one of the travelling officials??

Mr. GORDON: There is no new appointee.

Mr. REID: Are any of the investigations under this item made with the view of furthering the use of coal as fuel? I notice this includes investigations by the dominion fuel board.

Mr. GORDON: No, that would come under a different item.

Mr. GARLAND (Bow River): Would the minister kindly give some explanation as to the expenditures made by the fuel board during the year and the investigations carried out by it?

Mr. NEILL: And the value, if any.

Mr. GARLAND (Bow River): The hon. member for Comox-Alberni says: "and the value, if any." There has been considerable criticism of the fuel board and the minister should show that it is worth while continuing its activities.

Mr. GORDON: The amount under this item for the dominion fuel board is only for salaries but I shall be glad to give an explanation when the other appropriation for this board is under consideration.

Mr. GARLAND (Bow River): How much of this is for the dominion fuel board?

Mr. GORDON: It is approximately $14,000.

Mr. GARLAND (Bow River): All for salaries?

Mr. GORDON: Yes.

Mr. GARLAND (Bow River): Who constitute the personnel of the dominion fuel board and what are the salaries?

Mr. GORDON: The dominion fuel board's employees now are:

	Salaries
F. G. Neate, secretary	$3,840
E. A. R. Pelletier	1,500
J. F. Gray	1,380
E. A. Reardon	1,140

In addition to these there are other employees who are taken from the mines branch. The total salaries are $13,014.

Mr. GARLAND (Bow River): The estimate reads "for investigations by the dominion fuel board." If that is incorrect, if no portion of this is for investigations, would it not be well to amend that wording so that it will not be misleading? Perhaps the best way to get at it would be for the minister to analyze the vote of $220,000 and let us know just how it is expended.

Mr. GORDON: Perhaps it will shorten the discussion if the suggestion of the hon. member for Bow River (Mr. Garland) is followed. The vote is divided under the following divisions:

Mineral resources, $12,400.
Ore dressing and metallurgy, $54,000.
Fuel and fuel testing, $37,200.
Ceramics and road material, $16,000.
Chemistry, $4,000.
Mechanical section, $40,650.
Dominion fuel board, $16,000.
General administration, $9,750.
Publications, English and French, purchases of books and instruments, miscellaneous assistance and contingencies, $30,000.

Mr. GARLAND (Bow River): Do I understand that there is no expenditure for investigation by the dominion fuel board under this vote?

Mr. GORDON: Yes, the hon. member is quite right.

Mr. GARLAND (Bow River): Then I suggest that the words "for investigations" be struck out. The minister mentioned $37,200 for fuel testing. Why is it necessary to continue such an enormous amount for testing fuel? What new fuels are being tested? This vote has been in the estimates ever since I have been in the house; the federal government has been testing fuels for twelve years.

Mr. GORDON: The division of fuels and fuel testing is engaged in scientific investigations of solid, liquid and gaseous fuels, undertaken with a view to substitution of Canadian fuels for imported fuels, and the more efficient utilization of Canadian fuels. The continuation of large scale by-product coking and domestic furnace tests of Canadian coal is contemplated, in addition to research work with a view to better utilization of solid, liquid and gaseous fuels. The department does carry on at its laboratories on Booth street tests of fuels from all parts of Canada, and also of foreign fuels that come into competition with them, with respect to their efficiency as such, and sometimes in order to assist in the administration of the subventions granted, and as to the kind of comparable competitive fuels that our home produced fuels have to meet. These investigations are going on constantly at the laboratories.

Mr. GARLAND (Bow River): That is just the point, they are going on constantly.

I am anxious to know if during the last year any new types of fuel have been investigated and analyzed and what difference it has made. I should like also to know whether the work of this fuel testing laboratory has had any real effect on government policy or has succeeded in closing out competitive fuels.

Mr. GORDON: I think I can confidently state that the work of the branch has been useful and beneficial. For instance I remember very well that there was a decided opinion in Winnipeg that Canadian coals were not good coking fuel, that we did not have such in western Canada. Tests were carried on both at Ottawa and under the supervision of the officers of the department at Winnipeg, and the result was that the Winnipeg Electric Company now largely use —in fact I believe the proportion is one hundred per cent—coal from Michel in the Crowsnest pass. The same thing occurred in connection with the Montreal coke plant; those engaged in that activity believed that the Nova Scotia coals could not compete with coke and coal from the United States. The department carried on extensive tests there, and as a result large orders were received from the Montreal coke plant for Nova Scotia coal, and I believe that now sixty to seventy per cent of their total purchases are Nova Scotia coal. This is a direct result of the tests and examinations made and research carried out by the officers of the fuel board.

Mr. REID: Is it not a fact that the national research council also conduct experiments on fuels?

Mr. GORDON: My information is that they have never conducted research work on fuels. If they have we have no record of it.

Mr. GARLAND (Bow River): Are not the provincial governments carrying on in their mines branches research or analytical work in coal?

Mr. GORDON: I believe Alberta is doing some work, but I do not think any work is being done by any other province. If the hon. member has in mind overlapping and duplication I may say that in connection with the mines department it has been my desire to eliminate that as far as possible, because it is a pure waste of money. There is no overlapping in this department, so far as I am aware.

Mr. GARLAND (Bow River): I wonder if, following the minister's statement as to the advantages to the coal industry and the country, he could give the committee the total imports of coal and coke for the last two years, together with the total consumption in this country, for comparative purposes?

Mr. GORDON: I am afraid I cannot give as complete a picture as I would like. I did not anticipate having to answer such a question, but I hope the information I have may be helpful. The importation of anthracite was as follows:

	1933 Tons	1934 Tons
United States	1,429,831	1,804,133
Increase		374,302
Great Britain	1,605,776	1,643,516
Increase		37,740
Other sources	150	89,660
Increase		89,510

Mr. NEILL: What countries would be involved in those last figures?

Mr. GORDON: Largely Germany. The importation of bituminous coal was as follows:

	1933 Tons	1934 Tons
United States	8,092,158	9,945,953
Increase		1,853,795
Great Britain	338,061	330,459
Decrease		7,602

Mr. GARLAND (Bow River): Now could the minister give us the production and consumpton of Canadian coal during the same periods?

Mr. GORDON: In 1933 the production of Canadian coal amounted to 11,903,344 tons, and in 1934, the production was 13,891,138 tons.

Mr. GARLAND (Bow River): I also asked the minister to give us the consumption in Canada, if he has that figure.

Mr. GORDON: I have not the figure here, but I assume the total production was consumed.

Mr. GARLAND (Bow River): Not in Canada.

Mr. GORDON: There may have been, and doubtless were, some exports, but they would not amount to very much.

Mr. GARLAND (Bow River): The point I want to raise at this stage is that the minister should give the committee at a later date, when he is prepared for it, some further statement as to the usefulness of continuing the activities of the fuel board. The figures he has just given the committee would indicate that the imports from other countries have steadily increased. It is true that there also has been a slight increase in the produc-

tion of Canadian coal, but there is a feeling throughout the country, and particularly in the mining sections, that neither this government nor the previous government have done all that might be done for the coal industry and to encourage the consumption of Canadian coal in Canada. The minister is as well aware as any member of the committee of the vast and valuable resource we have in our Canadian coal, and I am very sorry to see that there has not been a greater increase in the consumption of that coal in the central provinces, notably Ontario. Before this session ends I hope the minister and the government will take the necessary steps—I may have to suggest one or two of them later—to see that no stone is left unturned to increase the consumption of Alberta coal, which is of the finest quality for domestic purposes, in Ontario. I anticipate with some hope the statement of the minister on the fuel board and the investigations carried on by the mines branch.

Mr. NEILL: The minister did not state the importations of lignite coal into Canada. Could he give those figures, and could he also give the production of anthracite in Canada?

Mr. GARLAND (Bow River): While that information is being looked up, Mr. Chairman, may I through you ask another question? Have there been any importations of coal into Canada from Russia during the last three or four years, and if so to what extent?

Mr. GORDON: These are questions which probably should be directed to the Minister of Trade and Commerce, but I am not entirely unacquainted with the situation. I think I can safely say there have been no importations of Russian coal into Canada since 1931. I believe that was the year. I have no figures with respect to the importation of lignite coal. I am afraid I would have to resort to the Department of Trade and Commerce for the figures with which to answer the hon. member for Comox-Alberni.

Mr. NEILL: What about the production of Canadian anthracite?

Mr. GORDON: That, I know, is a subject that is very dear to the heart of the hon. member, who knows perhaps better than any other hon. member the history of the production of Canadian anthracite coal. I have to rely entirely on my recollection, which is not too clear, as to the history of the development of anthracite coal mining in Canada.

Mr. NEILL: I was not asking that; I was just asking what was the production for the last year.

Mr. GORDON: I have no figures, but I believe the one anthracite mine is located near Bow River. It is operated by the Wheatley family. At one time they did produce a very considerable quantity of anthracite coal, although I have not the exact amount in my mind. I believe it is still being operated by the family with an annual production of between 800 and 900 tons. That is the only anthracite coal I know of that is being mined in Canada.

Mr. NEILL: The hon. member for Bow River asked the minister about the production of coal in Canada and the importation of coal into this country. The minister gave figures presumably from his record, and it seems curious that he does not have under his hand figures showing the importations of lignite. I understand some few thousands of tons come in along the Pacific coast to Vancouver, but there seems to be no record of it. It should not be necessary to go to the Department of Trade and Commerce for that information.

Mr. GORDON: So far as the records of the Department of Mines are concerned I would say that if lignite is being imported at Vancouver it would be listed under bituminous coal. At any rate I would have to refer to the Department of Trade and Commerce to get the figures.

Mr. NEILL: I tried for years to have it, as it should be, under bituminous coal, but I could not get the minister or his deputy to make the necessary simple changes to bring it under the proper heading. The definition of lignite was arbitrarily and more or less carelessly made in years gone by when the amount of moisture content did not matter. Only a slight change in the definition would have placed it under bituminous coal, and subject to duty. Lignite came in free. I failed utterly to get the department interested in the matter, and therefore I suggest it is not coming in as bituminous coal but as lignite, and it is most extraordinary that there is no record. If the minister is prepared to say no lignite is coming in, that would be a different matter, but he does not appear to have any records on the point. What is the fuel board doing, if it does not know about that?

Mr. GORDON: Perhaps the fuel board should not be criticized for this. I have looked through the records of the Department of Trade and Commerce, the department charged with the responsibility, and I see their records for 1933 indicate an importation of 2,707 tons of lignite from the United States

Mr. NEILL: What is the importation for 1934?

Mr. GORDON: I have not the figures for 1934. I am told that this is the last report, and that the figures for 1934 are not available.

Mr. GARLAND (Bow River): I should like to revert to the matter of Russian coal. The hon. member for Comox-Alberni has said that certain fuel was coming into Canada as lignite when it should have been described as bituminous coal. I have heard it stated that Russian anthracite coal is coming into Canada disguised as Welsh coal, or that it is being described in that way, and that certain big importers in Montreal were trafficking in it. Has the minister any information about the matter?

Mr. GORDON: No.

Mr. GARLAND (Bow River): Is he prepared to say it is not true?

Mr. GORDON: I usually try to be careful about statements as to truth or falsity, and I should not care to hazard an opinion.

Mr. GERSHAW: I understand a substance known as peat is found in many places in Ontario, and that only lately a process has been perfected for converting it into a combustible material to be used for heating purposes. Could the minister give information on that point?

Mr. GORDON: Yes, there are peat bogs in Ontario, and I presume in many countries of the world. In conjunction with the provinces Canada did at one time make an effort to investigate the possibility of converting these peat bogs into sources of useful fuels. A long series of investigations ensued under what I believe was known as the peat fuel committee. As a result a plant was set up at Alfred, a point between here and Montreal, and an expenditure of about $350,000 was made. The experiments did not prove successful. Other efforts were made in Saskatchewan with regard to lignite, and large sums of money were spent.

Mr. GARLAND (Bow River): Was that not a briquetting experiment?

Mr. GORDON: Yes, that was briquetting. But it was another effort to set up a new type of fuel.

Mr. GARLAND (Bow River): They got out of one bog into another.

Mr. GORDON: Yes, I think so. I believe at the present time claims are being made that by a new process peat may be converted into

fuel comparable with the domestic fuel used in the central provinces. I have heard considerable talk about it, particularly in the last two or three weeks. It may be that a process has been developed which will provide an additional source of domestic fuel.

Mr. NEILL: In a limited area. Freight charges would keep it within a limited area, would they not?

Mr. GORDON: Yes, I would think so; it is probable that freight charges would militate against its use over a wide area. However the matter has been brought to my attention and I have given it consideration. I propose to study the matter further because if the process is perfected to the point where it will produce from these peat bogs what the proponents of the process say it will produce, then it is something which any government, provincial or federal, should investigate so that such a fuel could be placed on the market. In the meantime I purpose continuing my investigations of the possibilities of this new process which the sponsors say will develop fuel from peat bogs. I have an open mind on the subject; I do not know whether the process is good, bad or indifferent, but I shall continue my investigations and find out the amount of success there was in Denmark, where I believe a plant has been recently set up, and the success in Ireland where similar operations are being projected.

Mr. GARLAND (Bow River): What is the name of the firm in Canada carrying on the experiments?

Mr. GORDON: I do not know.

Mr. GARLAND (Bow River): Does the minister know the name of the company interested?

Mr. GORDON: No.

Mr. GARLAND (Bow River): With whom is the minister carrying on his investigations?

Mr. GORDON: Purely on representations which have been made by a man who purports to represent the English firm holding the patents.

Mr. GARLAND (Bow River): What is his name?

Mr. GORDON: I think his name is Brown.

Mr. GARLAND (Bow River): Is he resident in Canada?

Mr. GORDON: I do not know.

Mr. DUPUIS: Is there any report available concerning the experiments made with peat?

Mr. GORDON: No.

Mr. GARLAND (Bow River): This Alfred peat bog is an old story. I see the former Minister of the Interior (Mr. Stewart) smiling a sardonic smile when he remembers his experience in connection with this same expenditure. I wonder if the minister could now give the committee the total expenditures made on the Alfred peat bog and other bog projects in Canada, in other words, the total expenditure and the efforts made to make peat commercially feasible for fuel. Will he tell the committee whether any of this stuff ever went on the market on a commercial scale, and whether all the money expended was ever worth one cent to the country.

Mr. GORDON: The only dominion expenditure devoted towards peat or bog fuel totalled $358,678.26, and there was a revenue derived from the product of $31,847.89, showing a net expenditure of $326,830.37. Some of the fuel went on the market and was represented largely by that sum of $31,000 odd. So as far as that effort was concerned we must confess that it was not a success. But all this was before my time.

Mr. GARLAND (Bow River): And even the sales that were made were they not made at the instigation of this department to other departments of the government in this city, and was not the peat used chiefly in ministers' fireplaces and places like that? In other words, it really was not on the open market.

Mr. GORDON: The hon. member is going back before my time. I can assure him that my fireplace was never fueled with peat from the Alfred bog. If he has reference to ministers of the gospel, and not to ministers of the government, I am further at sea than ever.

Mr. GARLAND (Bow River): Ministers of the gospel would not use peat for fuel, because they have another preferred type. Would the minister ask his advisers whether any of this peat fuel was ever put on the open market commercially?

Mr. STEWART (Edmonton): Perhaps the minister would pardon me if I assured the hon. member for Bow River (Mr. Garland) that a very considerable number of carloads were used in the city of Montreal. As the hon. member will understand it takes a lot of peat fuel to make up that $31,000 figure which the minister gave. It is a cheap fuel, and while the expenditure was perhaps excessive, there is no doubt at all about the utility of peat as a fuel as it is manufactured at Alfred, as against the use of hardwood; but it was not in any way a competitor with coal. I am told, and now I am speaking of something of which I have no personal knowledge, that as a result of experiments and investigations in England and Denmark they can now briquette the fuel, and they claim that it is a competitor with low grade coals. We were never able to succeed in inventing a process for briquetting peat, although we tried for a number of years to do so.

Item agreed to.

Geological Survey—
For explorations, surveys, and investigations; for publication of English and French editions of reports, maps, illustrations, etc., relating thereto; and for salaries and wages of explorers, topographers and others, $190,000.
For maintenance of offices and museum; for purchase of instruments, chemicals, books of reference, museum equipment and specimens, and related supplies; for expenses of the Geographic Board of Canada; and for miscellaneous assistance and contingencies, $75,502.

Mr. HANSON (Skeena): Would the minister tell the committee what proportion of this vote is to be expended on work in British Columbia and the places where work is going to be done in that province?

Mr. GORDON: Each year a plan of geological survey work is mapped out by the departmental officials, and it is largely determined by the assignment of a part of the vote to carry on geological work that has been already started and is under way where it is sought to have a regular progression of the work take place, and by turning towards those areas where information would seem to indicate that geological work would determine favourable occurrences for the deposition of minerals which like gold can easily be disposed of. Those are the factors that underlie the mapping out of the year's geological work. The plan of the work for this year is now under consideration. Perhaps I could not do better than to read a short memorandum that has been prepared in the department, after consultation with myself on a great many occasions, as to the general plan for this year:

Geological and topographical work to aid prospecting for and development of gold placers and other mineral deposits in the Yukon.
Geological and topographical work in the Bridge river area of British Columbia, an active gold producing camp.
The investigation of gold bearing deposits on Vancouver island.
Geological exploration of regions bordering the lower Fraser river on the west.

That area, as the members from British Columbia know, is almost an unknown area in the province, but an area in which mineral deposits have beeen discovered.

Investigation of gold bearing deposits in the Barkerville and adjacent areas in British Columbia.

Investigation of various gold bearing and other mineral discoveries in southern British Columbia.

That, broadly speaking, is the plan that is now under consideration by the branch of the geological service with respect to the work for this year in British Columbia. Their work will be devoted, as I have indicated, to those sections where it is known that the progress of the work is likely to disclose that kind of geological occurrence that is most favourable for the deposition of ores that are more easily sold than others, gold in particular.

Mr. REID: After the explorers have been in the districts mentioned and made their discoveries, is the information they have gathered disseminated to the public, or is it kept within the department itself?

Mr. GORDON: Just as soon as the year's work is mapped out and determined, the program is made known by the department through the technical publications. Then when the field parties return to Ottawa from their year's geological work, their field notes and other information with respect to the areas in which they have operated are with all reasonable dispatch converted into a formal report which is printed as one of the publications of the department and made available as soon as possible to those interested, prospectors, the mineral industry, and to anyone who cares to inquire.

Mr. NEILL: I think the work done by this branch is money well spent and that the work is well carried out under a competent head. Would the minister give us more details of the work that is proposed to be done on Vancouver island, and where it is to be done?

Mr. GORDON: What is the name of the island?

Mr. NEILL: No, but where. Is it around Nympkish?

Mr. GORDON: I am not acquainted with the names of the places; the best I can say is, it is the northern end of Vancouver island. I have never prospected there myself, politically or otherwise.

Mr. NEILL: I am sure the minister would be well repaid and welcomed if he prospected it politically.

Mr. HANSON (Skeena): I know that representations have been made to the department from the territory called Unik river area, between southeastern Alaska, Yukon and Peace river, as well as from Buckley and Nohaco area, extending from the coast as far as Smithers on the Skeena, linking up with the survey made from the Alberta boundary and from the Bella Coola area, extending into the Cariboo district.

Mr. GORDON: I cannot say whether the department has received any direct specific request for investigations in the first named field, but negotiations are at present going on between the officers of the government of British Columbia and our own department, with a view to having geological work carried on where, in the best judgment of those who are perhaps most familiar with the locality, it will be of greatest use. I am in thorough accord with what has been said by the hon. member for Comox-Alberni, and I am sure it commends itself to all other hon. members, that no more useful work can be carried on in what is generally called the northern part of Canada than geological research work, particularly for precious metals. That work has been going on, as hon. members know, since 1842, as a department of some government, though not then of course the dominion government. But the first director of geological survey was Sir William Logan, and the work has been carried on continuously down to the present time. Personally I should like to see it greatly extended. Of course, none of us will ever see the time when even fairly well known mining areas will have been completely explored geologically. I well remember that at a meeting of the institute of mining and metallurgy not many years ago a person who should have known better suggested that, this work having been carried on in Canada since 1842, it was strange that they did not know all about the geological occurrences of the country by now. Well, if anyone will review the history of Britain he will find that for hundreds of years geological records have been kept of the work done there, a very small country compared with Canada; and last year they had a larger vote than ever devoted to geological work in Britain. At least therefore we can get some comfort from the reflection that there will be activities in geological work in Canada for hundreds of years to come, and then we shall know very little about the riches that may be hidden, not sticking out for people to go and dig them up easily, but hidden where they will challenge the curiosity and the courage of the people of to-day and of those who will come after us.

Mr. GARLAND (Bow River): Are any other departments of government carrying on geological survey work, or is this the only geological survey provided?

Mr. GORDON: This is the only one that the dominion government is carrying on. Some provincial governments in later years have started geological work, principally in Ontario and latterly in Quebec. I doubt whether there is any in the other provinces. Where Ontario and Quebec carry on geological survey work, it was the practice of the late government, a very proper practice too, as it is of the present government, to have a meeting perhaps once or twice a year to see that the provincial work did not overlap the work that was being done by the dominion. That is essential, because it is only throwing money away to have a second set of geologists going over the same field that is being pursued by this government.

Mr. HANSON (Skeena): I am glad that there is an increase in this vote, and I am pleased to have heard the minister's explanation, because in my opinion any assistance given to the exploration of our natural resources must be taken seriously. I notice that the dapartment is working in conjunction with the mines department of British Columbia. The Department of Mines in that province, especially in the northern portion, is making investigations and sending suggestions to this department, and I am glad to know that recommendations are coming from the province for further explorations. I am sure from what the minister has said that the matter will be given the consideration it deserves.

Mr. DUPUIS: Has any survey investigation been made in Quebec and, if so, how much was expended out of the $190,000 last year?

Mr. GORDON: Yes; there is geological survey work being done in the province of Quebec, but I have not before me the amount actually expended. However, from the chart I have before me, I should say that there was more money spent in geological survey work in the province of Quebec last year than in any other province. That of course, as the hon. member knows, arises from the fact—

Mr. DUPUIS: The discovery of a new field.

Mr. GORDON: Yes, the very valuable discoveries that were made at Noranda and to the northeast through Chibougamau. There is also keen interest being taken in the development not only of gold mining but copper mining and the mining of other metals in the northern part of the province. This may give my hon. friend some information. I see that more parties were sent into Quebec last year than into any other province. Quebec is now doing some geological work itself. Ontario of course has for many years been expanding its geological work, and in order that overlapping may not take place the amount of work that the dominion government has been doing in Ontario is gradually becoming less. At the moment more work is being done in Quebec than elsewhere, although they are now developing a geological survey branch of their own, which I think is a very desirable effort.

Mr. GARLAND (Bow River): How much of this appropriation is devoted to the purposes of the geographic board of Canada? Is it all of the $75,502 or only part of it?

Mr. GORDON: I must confess that I am not very well acquainted with the geographic board or its operations, but I understand it is the board that among its other duties passes upon the names to lakes and rivers. Under this appropriation we devote the services of the secretary, one man, to the geographic board, and his salary is, I believe, about $2,500 a year.

Mr. GARLAND (Bow River): This item reads:

For expenses of the geographic board of Canada.

What are the expenses of the geographic board of Canada under this item?

Mr. GORDON: I am not able to give the total expenses of the geographic board of Canada. I can only say that so far as the Department of Mines is concerned, our contribution is the services of one official whose salary is about $2,500 a year.

Mr. GARLAND (Bow River): Is that all then that comes out of this item?

Mr. GORDON: Yes, for the geographic board.

Mr. GARLAND (Bow River): Under what other item is the geographic board provided for?

Mr. NEILL: Is it not more or less an honorary board?

Mr. GORDON: I confess that I have not been brought into close touch with the geographic board, but I see before me a memorandum which seems to indicate that

the board is made up of a number of officials drawn from various departments of government. The mines department supplies to the board the secretary whose salary is $2,160 a year. Then there is a small amount of $600 for printing and office supplies, making a total of $2,760. That is the total that the mines department is charged with respect to the geographic board.

Mr. GARLAND (Bow River): Just before this item carries and we conclude the estimates of the mines department, I would like to ask the minister to revert for a moment to Mr. Brown. I understand now that the government is going to undertake rather extensive experimental work at the instigation of Mr. Brown.

Mr. GORDON: No, not at all.

Mr. GARLAND (Bow River): Well, just what is this new experimental work that is being undertaken that he speaks of so highly as having originated in Denmark and having in some degree been carried on in Ireland in connection with peat fuel?

Mr. GORDON: I have before me no plan by Mr. Brown. He has seen me and talked to me about the promotion of a company for the manufacture and sale of peat fuel. He has told me that there is in Denmark a plant now operating. He has also told me that the great firm of Babcock and Wilcox, well known throughout the world, have approved the mechanical operations of a plant that was built to take advantage, I believe, of certain patent processes which the companies or individuals that he says he represents, hold with respect to the development of peat fuel. But let me not be misunderstood. There is at the present time so far as I am concerned no intention whatever with the information before me to advise the government to embark upon anything in the way of a project that Mr. Brown has of actually manufacturing peat or, as he suggests, to grant dominion government subsidies in connection with peat fuel until it is made abundantly apparent to me that the plant now in operation in Denmark or Ireland, or wherever it may be, is being conducted and operated on a sound business basis, producing a fuel which is a comparable, competitive fuel in the areas where it might be marketed in Ontario and Quebec. Even then a great deal of investigation work would have to be undertaken by somebody —and I think that somebody certainly comprises those who are advocating the adventure into peat fuel—before any government, whether provincial or dominion, would be justified in subsidizing peat fuel.

[Mr. Gordon.]

Let the committee remember, as I said before, that I have an absolutely open mind in the matter. If there is any fuel that can be provided at lower cost to the people in what we call the acute fuel area, that is the central portion of Canada, and that will better the situation to the consumer of fuel, then we or any other government would be derelict in our duty if we did not at least see that no barrier was thrown in the way of the development of that fuel. But it is quite a different matter as to the desirability of a government subsidizing a private activity of this character, and if the government could be persuaded to do this, it would in my judgment be only after the closest scrutiny as to the soundness not only of the process but of the economics that are involved in the distribution of the fuel. I do not think I can say more than that, but I would be extremely careful to see that when any steps were being taken, the closest scrutiny would be made of any plan that is projected for peat fuel. At the same time I have an open mind. There will undoubtedly come a time —it may be long delayed; it may not be so far away—when peat fuel may have to be resorted to, but at the same time I can only repeat what I said before; there would have to be a very complete disclosure of the soundness of a plan before I could be induced to recommend it to this or any other government for subsidy, because if these peat fuels are able to perform as some of their advocates say, they do not need any government assistance. However, I have the matter under consideration in the hope that more information will be available in order that I may make up my mind whether or not from a national standpoint it is of sufficient value to warrant further investigation.

Mr. REID: Have any investigations been made into the possibilities of extracting oil and gasoline from coal? The minister no doubt knows that Great Britain was one of the greatest coal producing countries of the world until she lost the market when oil was introduced. Now many of her own battleships are using fuel oil. But Great Britain has seen the seriousness of the situation in the coal mining industry and I understand is making extensive experiments and has now discovered how to extract fuel oil and gasoline from coal. In vew of the fact that we have in Canada large coal fields, and are feeling the competition of fuel oil from abroad, I was wondering if the department had made any investigation into that matter.

Mr. GORDON: It is pretty well known that Germany and Great Britain for a number of years have spent through state agencies

and private activity huge sums in endeavouring to develop some process to extract fuel oil and gasoline from coal on a commercial basis. Some advance has been made. Great Britain has done a great deal, and some fuel oil and gasoline have been produced commercially, but under a very heavy protective tariff, I think they call it. In Germany the protection is twenty-two cents a gallon, and in England apparently 8 pence. Some work has been done in investigation of the possibilites of extraction of oil and gasoline from our fuels. The advances made in research work by Great Britain are I believe available to us. I do not believe it would be a justifiable expense at present for Canada to set up a large and costly research staff to carry on this work when Great Britain is doing it. It is true that such investigation is also being carried on by private concerns in Great Britain and their results might not be as readily available to us as those from the work being done by the state. But I seriously question the wisdom of our doing more than we are at the moment, which I confess is not very much.

Mr. GARLAND (Bow River): Referring again to the question of further experimental work on peat fuel, I think the minister is well advised to be cautious in touching any project that may be brought to him by a person whom he does not know and as to whose nationality even he seems to be in doubt, though his name is Brown. He will doubtless take into consideration also the fact that the situation in Denmark and Ireland is not the same as in this country. In one of them peat has been the traditional fuel used ever since the country was an inhabited part of the globe; the peat there of course is entirely different from that in this country where it has a high liquid content. In Denmark the population is extremely dense, and in both those countries there are no wooded areas from which to draw fuel supplies, which are carefully preserved for other purposes than fuel. But in this country we still have abundant fuel resources, both underground in the form of coal and on the surface in the form of trees. Therefore I do not think there is any necessity at this time for further experimental work in connection with peat fuel, and I am glad the minister is giving the matter careful consideration before he goes into it again.

Mr. NEILL: In reference to the remark made by the hon. member for New Westminster (Mr. Reid). I did not intend to deal with that matter—it seemed so hopeless—but as he has brought it up I join with him in pressing on the department the need for consideration being given to the subject of making our large coal resources available in some form other than in the raw state. Their location makes it often difficult to market the product just as coal. I notice, and I am sorry to notice, the remark of the minister that they are not doing very much. I entirely agree with that; I do not think the Department of Mines are paying anything like the attention they ought to that branch of a very important subject. I will go further and say that I think the officials are wholly unsympathetic.

Mr. GORDON: Oh no, not at all.

Mr. NEILL: Well, that is my opinion, as a result of ten years' experience.

Mr. GORDON: The Department of Mines to-day is one of the busiest departments.

Mr. NEILL: I do not know what they are busy at.

Mr. GORDON: Of course you don't.

Mr. NEILL: In the annual report, the subject of hydrogenation of coal, which is vital to the matter in question, is disposed of in seven lines. I have before me a letter from the department answering one in which I asked what knowledge they have of certain of these improved methods being developed in England—in actual practice I think it involved an expenditure of £2,000,000—and part of the answer I got is that the only knowledge they have is through newspaper accounts. Then I was given some nice pamphlets supposed to satisfy me, much in the same way as the clown in the circus says, "I want a horse," and his partner says, "Here is a clothes horse." I was given a pamphlet entitled Experiments on the Hydrogenation of Alberta Bitumen and on the effect of Pressure on the Pyrolysis of Methane, and another entitled, Report of Experimental Work on the Hydrogenation of Canadian Coal, Coal Tar, and Bitumen for the Production of Motor Fuel. One is dated 1930-31, and the other 1932. Have we not got any further in our progress than that? As far as I can judge they are going along the line of the man who said he was going to be an astronomer. He would not take any notice of the alleged discoveries made by people in the past; he was going to start on his own, and he died before he discovered that the world is round. I quite agree with the minister that it would be useless to spend large sums developing plant in Canada to investigate the more elementary facts, but as far as I can learn what they are doing is along those lines. Rather I believe that the minister should take advantage of the knowledge and experience secured by other nations, for

example England, and Germany. I rather think Australia has made a bargain with some oil company with English capital to make a start there. But I do not know, and I certainly shall not get my information from the department, because when I write them they say; "We have no information beyond newspaper accounts." I am not an official paid to give these subjects intensive study, but I get the information as soon as they do. I do think the department should make a special effort to develop investigations, not along the line of elemental scientific discoveries but by taking advantage of the acquired knowledge of other peoples. In Great Britain, certainly where governmental aid is introduced, we could get that information readily enough; unless it is in connection with a distinctly private patent—which I do not think is the case here—I believe the British people are not unwilling to afford assistance to one of the dominions in this way.

I am not finding fault with the minister. I know the multitudinous duties he has to perform, and I know he has to rely on his various deputies. I do claim, however, that the officials of the mines department are not paying enough attention to this subject. One of the crying needs of Canada to-day is to get our coal mines working to capacity; we so much need work for coal miners. People are coming here every day asking the government to increase the subventions in order that coal may be shipped from one place in the country, where providence or nature has placed it, to the centres of population. It may be difficult to transport coal as such, but it is easy to transport it in the shape of gasoline, fuel oil or the like. I am not saying this with any suggestion of political antagonism to the minister; rather I am asking that he use his influence to stir up that branch of his department and get some action.

Mr. GORDON: The department would have to be greatly enlarged to undertake work like that.

Mr. MYERS: I just wish to direct the attention of the hon. member for Bow River to the fact that there need be no doubt in the world as to the nationality of Mr. Brown. He is a native of Prince Edward Island, and therefore he is a citizen of no mean country.

Mr. GARLAND (Bow River): My point was that the minister was not able to tell me, and he was the person concerned. I am glad to have the information from the hon. member.

Item agreed to.

[Mr. Neill.]

Mines—

Salaries, $485,910; contingencies, $20,000.

Mr. STEWART (Edmonton): I think the hon. member for South Perth requested that one item be allowed to stand in order that there might be some discussion by some of the members who are absent this evening. I do not think it makes much difference which item stands, if the minister will just leave one item open.

Mr. GORDON: That is quite right; I remember that the hon. member for South Perth asked that an item stand, and I shall be glad to let this item stand.

Item stands.

To provide for payments in connection with the movements of coal under conditions prescribed by the governor in council and for the cost of administration thereof, $2,450,000.

Mr. STEWART (Edmonton): What proportion of this amount is used for the movement of coal from Alberta eastward?

Mr. GORDON: Perhaps I can give both east and west at the same time; it might shorten the discussion. The total of eastern coal moved under subvention in 1934 was 1,824,656 tons, at a cost of $1,729,552.81. The total of western coal moved under subvention was 544,147 tons at a total cost of $531,610.86. The total moved was 2,368,803 tons at a total cost of $2,261,163.67.

Mr. REID: I wonder if the minister can tell us if any of that money went to coal moving from Alberta to British Columbia or vice versa?

Mr. GORDON: No, none of this money was devoted to coal moving from Alberta to British Columbia.

Mr. McKENZIE (Assiniboia): Do those figures include the movement of coal from the Estevan coal fields in Saskatchewan?

Mr. GORDON: Yes.

Mr. McKENZIE (Assiniboia): Has there been any change in the subvention rate in connection with the Estevan coal? A year or two ago the rate from the Saskatchewan coal fields was very much reduced, and I wondered if there had been any change in that rate during the last year or so.

Mr. GORDON: In May of last year the coal operators of Saskatchewan, Alberta and British Columbia came to Ottawa with the idea of trying to adjust the coal subventions in order as nearly as possible to bring the assistance into a horizontal shape, if I may put it in that way, so that one would not

be preferred over another. At that time there was a general scaling down of the subventions, it being found that mainly by reason of subventions which had been granted for quite a number of years, and which were increased in the last three and a half years, the Manitoba market is largely and almost entirely supplied by the coal mines of Alberta, the Crowsnest and Saskatchewan. I may say that the meeting of the coal operators was not acrimonious at all. They recognized that the subventions they had been getting had secured practically the entire Manitoba market, and that the rates then effective were no longer necessary. Therefore there was a gradation downward of the subventions with respect to the coal of all three provinces coming into Manitoba, and it applied with equal force, as nearly as we could determine it, to each of the coal fields. So far as I know there has been no great complaint made by the operators since. I am very glad to tell the house that with the least possible expense to the state the coal mines both east and west have been able to reach further into the great consuming part of Canada. I need not tell hon. members how extremely difficult this whole matter has been and will continue to be, because we cannot change our geographical situation or our political boundaries. Mistakes will be made. I know that my administration of this most complex question has not been without error, and I am happy in the thought that perhaps all my errors have not yet been found out. At any rate we are endeavouring as best we can to apply these subventions throughout Canada, both east and west, in order that the maximum amount of Canadian coal may be consumed in Canada and the greatest number of Canadian coal miners may get work.

Mr. McKENZIE (Assiniboia): The minister mentioned a meeting last year. I wondered if there was any change with regard to the basis on which this subvention is paid. Is it still on a mileage basis or is it just a flat rate of so much per ton?

While the minister is looking up that point I might say that when the subvention first operated, I believe about 1930, the rate from the Estevan coal mine was 25 cents a ton to Winnipeg. I believe the rate from Alberta was set at about one dollar a ton. Then two or three years ago it was changed and put on a mileage basis of one-seventh of a cent per mile. The Estevan coal mines being about 280 miles from Winnipeg the subvention was reduced from 25 cents down to about 15 cents, or approximately that amount I wonder if any change has been made since.

Mr. GORDON: The prevailing rate is one-seventh of a cent per ton mile from Saskatchewan with a maximum of 15 cents to Manitoba. That was the change made to which the hon. member has referred.

Mr. MOTHERWELL: Do these subventions now permit western coal to come east so as to meet Nova Scotia coal?

Mr. GORDON: No. There is a gap in the central part of Canada which has never been closed.

Mr. STEWART (Edmonton): That is where we could put the peat.

Mr. GORDON: Yes, I think that is where the peat would come in.

Mr. GARLAND (Bow River): The minister was going to tell me the total amount last year under subvention from Alberta as compared with the amount for this year. I believe he said that for 1934 the amount was about 544,000 tons.

Mr. GORDON: That is the total western movement.

Mr. GARLAND (Bow River): For 1934?

Mr. GORDON: Yes.

Mr. GARLAND (Bow River): What is it for 1933?

Mr. GORDON: It is 451,073 tons.

Progress reported.

On motion of Mr. Rhodes the house adjourned at 9.35 p.m.

Monday, March 4, 1935

The house met at three o'clock.

MARINE AND FISHERIES

Mr. W. C. S. McLURE (Queens) moved concurrence in the first report of the select standing committee on marine and fisheries.

Motion agreed to.

MARITIME PROVINCES

Report of the royal commission on financial arrangements between the dominion and the maritime provinces—Sir George Perley.

RAILWAYS AND SHIPPING

APPOINTMENT OF SELECT STANDING COMMITTEE TO CONSIDER ACCOUNTS AND ESTIMATES

Sir GEORGE PERLEY (For the Prime Minister) moved:

That standing order 63 of the House of Commons relating to the appointment of

standing committees of the house be amended by adding to the standing committees of the house for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred the accounts and estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and report to the house; provided, however, that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply; and that said committee consist of: Messrs. Beaubien, Beaubier, Bell (St. Antoine), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset (Sir Eugène), Fraser (Cariboo), Geary, Gray, Gobeil, Hanbury, Heaps, MacMillan (Saskatoon), Manion, Power, Price, Speakman, Stewart (Lethbridge) and Tummon.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask my right hon. friend if that resolution is the same in all essential particulars as the resolutions that have been passed in previous years?

Sir GEORGE PERLEY: Yes, I think it is; I am informed that it is.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Before the motion is adopted, Mr. Speaker, I regret to have to complain about an answer I received from the Minister of Railways (Mr. Manion) not long ago, with regard to Mr. Laforce, an employee of the Canadian National Railways. I asked in what capacity this man was employed, his salary and so on, and I was told that it was not in the public interest that this information should be made public. I cannot blame the minister for that answer but I do blame the management of the Canadian National for answering my question in that way. When members of the House of Commons ask questions this is the answer they get, but when they come to us to borrow money—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I must tell my hon. friend that this discussion is not in order on this motion, which is to appoint a committee.

Mr. POULIOT: But this is my point. That committee will investigate the business of the Canadian National Railways and the merchant marine, but only a privileged number of members of this house are entitled to secure information from the officials of the system. When a member, from his seat or through a question on the order paper, asks for some information such as this, he is denied the information he requires.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member must realize that he has the privilege of going before the committee and asking any questions he may desire to ask. This discussion does not come up on this motion.

Mr. POULIOT: I thank you.

Hon. R. J. MANION (Minister of Railways and Canals): May I add, Mr. Speaker, that the evidence taken before the committee is printed in any case, and the hon. member can have some member of the committee ask any questions he wishes asked about Mr. Laforce. He will be able to get the evidence printed, if he wishes to do so.

Mr. POULIOT: If the house will allow me—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I do not think the hon. member should carry the matter any further.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRENT CANAL—STAFF

Mr. MULOCK:

1. Who are the members of the Trent canal staff?
2. What are their respective positions and salaries?
3. When were they appointed?
4. How many of the staff are engineers?
5. What members of the staff are furnished with: (a) rent-free house; (b) rent-free telephone; (c) fuel and light without charge?

Mr. MANION: This information was brought down last session, votes and proceeding No. 22, page 113, February 23, 1934. The information relates to the entire engineering and operating staff of the canal, their duties and their salaries, and is far too bulky to place on Hansard. However, as stated, it is already available to the hon. gentleman in the records of the house.

TRENT CANAL—INCOME

Mr. MULOCK:

1. What income has the federal government received from the Trent canal during the years 1930 to 1934 inclusive, from the following sources respectively: (a) rentals of property; (b) rentals or dues from power users; (c) tolls?
2. What was the expenditure upon the Trent canal during the years 1932 to 1934 for (a) salaries and wages; (b) construction and repairs; (c) all other expenditures?

Mr. MANION:

1. Amount of revenue received on the Trent canal, fiscal years 1929-30 to 1933-34 inclusive, for rentals of property, rentals or dues from power users and tolls:

Fiscal year	Rental of property (land)	Rentals or dues from power users (hydraulic)	Tolls	Total
1929-30	$1,407 88	$ 91,186 00	....	$ 92,593 88
1930-31	3,048 25	91,094 18	....	94,142 43
1931-32	2,039 06	91,096 00	....	93,135 06
1932-33	1,402 45	91,086 00	....	92,488 45
1933-34	1,394 04	1,206 00	....	2,600 04
Total	$9,291 68	$365,668 18	....	$374,959 86

2. Amount paid on Trent canal, fiscal years 1932-33 and 1933-34 for salaries and wages, work under contract and other expenditures:

Fiscal year	Amount paid for salaries and wages	Amount paid for work under contract	Other expenditures	Total
1932-33	$206,375 89	....	$ 58,467 73	$264,843 62
1933-34	182,488 52	$44,070 00	57,139 42	283,697 94
	$388,864 41	$44,070 00	$115,607 15	$548,541 56

TRENT CANAL—TONNAGE

Mr. MULOCK:

1. What tonnage carrying freight passed through the Trent canal from lake Ontario to Georgian bay during each of the years 1930 to 1934, inclusive?

2. What tonnage of other craft passed over this route during each of the same years?

3. What has been the total cost of the Trent canal detailed as follows: (a) construction costs, repairs and improvements; (b) salaries of staff; (c) settlement of drowned land claims, and costs of lands expropriated or purchased?

Mr. MANION:

1. No vessels carrying freight passed through the whole canal from lake Ontario to Georgian bay.

2. 1930—23,785 tons of freight through portions of canal. Number of pleasure craft lockages—6,658.

1931—23,172 tons of freight through portions of canal. Number of pleasure craft lockages—6,561.

1932—5,189 tons of freight through portions of canal. Number of pleasure craft lockages—5,661.

1933—6,341 tons of freight through portions of canal. Number of pleasure craft lockages—5,887.

1934—4,624 tons of freight through portions of canal. Number of pleasure craft lockages—11,064.

3. (a) Total cost of Trent canal as at March 31, 1934:

Capital expenditure	$19,953,583 99
Income improvement expenditure	3,766,618 66
Operation and maintenance expenditure	4,700,928 94
	$28,421,131 59

(b) Amount paid in salaries and wages, 1880-81 to 1933-34, inclusive, $16,137,869.84.

(c) Amount paid for settlement of drowned land claims and costs of lands expropriated or purchased, 1880-81 to 1933-34, inclusive, $889,842.78.

It will be noted that the amounts paid in salaries and wages, etc., are shown as from 1880-81 to 1933-34, inclusive. A detailed distribution is not available prior to 1880-81.

SUPERANNUATION FUND

Mr. CHEVRIER:

1. How many members of the public service of Canada contributed a total sum of $1,985,563 to superannuation fund No. 5 for the fiscal year ending March 31, 1934?

2. Does any federal act, or any regulations of the Department of Insurance require insurance companies to inform their policyholders and shareholders from time to time both as to the financial and actuarial condition of such companies?

3. If so, when will the Department of Finance advise the contributors to superannuation fund No. 5 as to the actuarial status of such fund?

Mr. RHODES:

1. $2,237,188 was the net amount of contributions by 23,532 civil servants in the year ended March 31, 1934.

2. There are no regulations and no provision of general application. Under the insurance acts of the dominion, fraternal benefit societies are required to send financial statements to their policyholders. The special acts of incorporation of some insurance companies require financial statements to be laid before the members at the annual meeting.

3. Benefits to contributors are specifically authorized by statute and there is no provision requiring that they be advised with respect to the matter referred to.

MR. ALBERT RIOUX

Mr. POULIOT:

How many days did Mr. Albert Rioux act or sit on the board of review for the province of Quebec, as a representative of debtors, in virtue of the Farmers' Creditors Arrangement Act?

Mr. RHODES: From the date of his appointment, December 8, 1934, to date, thirty-two days.

ST. FABIEN, QUE., STATION—MAIL CONTRACT

Sir EUGENE FISET:

1. Have tenders been called for the transport of the mail from St. Fabien station, county of Rimouski to the post office?

2. If so, has the contract been awarded, and what were the names of the tenderers and the amount of each tender?

3. Was the contract awarded to the lowest tenderer?

Mr. SAUVE:

1. Yes.

2. Yes.

	Per annum
Georges Dubé	$148 50
Robert Rioux	149 00
Angelbert Rioux	175 00
Cyrice Rioux	200 00
Alphonse Jenn	224 00
Séraphin Côté	240 00
Achille Caron	250 00
Ernest Rioux	275 00
Febien Bernier	600 00

3. The two lowest tenders were considered to be equal and the contract awarded to Robert Rioux at $148.50 per annum.

FAIRBRIDGE FARM SCHOOL

Mr. MUNN:

1. Has the Department of Immigration, or any other department of the government, made any arrangement with the Fairbridge Farm School, or Major M. F. Trew, or the Child Immigration Society of Great Britain for the purpose of training English boys and girls to enter farm life in Canada?

2. Has the Department of Immigration, or any other department of the government, given any assistance, financially or otherwise, to the Fairbridge Farm School, Major M. F. Trew or the Child Immigration Society of Great Britain for the purpose of buying one thousand acres of land on Vancouver island for the purpose of erecting buildings thereon, and for the purpose of organizing agricultural training of English boys and girls?

3. If so, from which English institutions will be taken English boys and girls who will be sent for training to Vancouver island?

4. What persons or society will choose the English boys and girls to be sent for such training?

5. Will the said English boys and girls be examined by the Department of Immigration, or the Department of National Health, as to their physical, mental and moral fitness to be admitted into Canada?

6. What will be done with the pupils after they have finished their training, and will they receive assistance therefor and to what amount from the Canadian government?

Mr. GORDON:

1. The Department of Immigration and Colonization, acting on an application from the British Columbia government, entered into an arrangement in March, 1934, with the Child Emigration Society of Great Britain, for the establishment in the province of British Columbia of a branch of the Fairbridge Farm Schools, to be used for the purpose of training British boys and girls in Canada.

2. No.

3. It is not yet known to the department from what sources the boys and girls will come.

4. The society will put forward the children for examination by oversea officers of the Department of Immigration and Colonization and the Department of Pensions and National Health.

5. Yes, by officials of both departments.

6. The children will be brought out at or about ten years of age. They will be kept in the Fairbridge training centre until they reach the full age of sixteen years. The society then becomes responsible for finding suitable placement for boys as farm workers and for girls as houseworkers. They have not been promised and will not receive any financial assistance from the dominion government.

HAZELTON, B.C., POST OFFICE

Mr. HANSON (Skeena):

1. What was the total gross revenue in the Hazelton post office, British Columbia, for the years 1930 to 1934 inclusive, giving each year separately?

2. What salary and other remuneration did the postmaster receive, at that place, during the said years, giving each year separately?

Mr. SAUVE:

1 and 2.

Fiscal year—	Gross revenue	Salary	Other remuneration (allowances)
1929-30	$2,300 66	$1,122 00	$240 25
1930-31	2,104 57	1,169 80	220 28
1931-32	2,110 19	1,131 34	233 54
1932-33	2,045 69	975 52	214 47
1933-34	1,821 21	960 52	219 27

POST OFFICE PHILATELIC AGENCY

Mr. MULOCK:

1. What revenue was derived by the philatelic agency of the Post Office Department from the sale of used postage stamps during each of the fiscal years 1931, 1932, 1933, and 1934?
2. By what authority did the philatelic agency procure the right to sell used Canadian postage stamps?
3. What was the source of supply of these used postage stamps?
4. On what date did the said philatelic agency begin to operate?

Mr. SAUVE:

1. 1930-31, nil.
   1931-32, nil.
   1932-33, $19.97.
   1933-34, $135.91.
2. There is nothing in the statutes which prevents the Postmaster General from disposing of any marketable asset from which revenue for the department can be derived in the ordinary course of Post office business.
3. Post Office Department forms 7, 8 and 9 P. (Labels to which are affixed postage stamps used to prepay postage on printed matter mailed in bulk).
4. September 13, 1932.

THEFT OF WOOD—BISHOPTON, QUE.

Mr. LAFLECHE:

What is the name and place of residence of the solicitor to whom the Department of National Defence has assigned the handling of charges which said department preferred against Placide Doyon and Jos. Nadeau, of Marbleton, Wolfe county, for the theft of wood on government property at Bishopton, Quebec?

Mr. STIRLING: No solicitor was employed by the Department of National Defence in this case.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RELIEF LEGISLATION—GUARANTEES

Mr. MACKENZIE (Vancouver Centre):

1. What was the total amount guaranteed by the government under unemployment and farm relief legislation since August 7, 1930?
2. To whom were such guarantees given and on whose behalf?

Mr. RHODES: Mr. Speaker, the information which the hon. member for Vancouver Centre seeks to secure by this question will be given fully in a return now in course of preparation as the result of an order of the house moved by my hon. friend. In the circumstances I would suggest that the question be dropped.

Mr. MACKENZIE (Vancouver): On a point of order, Mr. Speaker, I asked for a return and this information was deliberately omitted by one of the officials of my hon. friend's department. Other information was given, but the amount of the guarantees was deliberately omitted and a very facetious reply was given by some official of that department. I object to that, and that is why I asked this question.

Mr. RHODES: The information I just gave my hon. friend is in conformity with the advice given me, that the return is in course of preparation and has not been brought down. My hon. friend must be referring to some other return. In those circumstances I would ask that the question be passed as an order for return.

BOVINE TUBERCULOSIS—QUEBEC

Mr. FERLAND:

1. In what counties, in the province of Quebec, have restricted areas for the eradication of bovine tuberculosis been established, pursuant to the Animal Contagious Diseases Act?
2. When were such areas established?
3. What is the total indemnity paid by the government in each county thus organized in restricted areas for the above purpose?
4. Has the government or the Minister of Agriculture received any petition, in due form, requesting the establishment and maintenance of a restricted area for the eradication of bovine tuberculosis in the county of Joliette?
5. If so, when was such a request made?

Mr. WEIR (Melfort): Return tabled herewith.

COLTER SIDING, N.B., RELIEF CAMP

Mr. MICHAUD:

1. What supplies for the unemployment relief camp at Colter Siding, New Brunswick, were purchased from March 1, 1934, to February 1, 1935?
2. From whom were they purchased?
3. Were tenders called or invited for such supplies?
4. If so, who tendered, and what was the amount of each tender?

PUBLIC WORKS EXPENDITURES

Mr. MICHAUD:

What amounts were expended by the dominion government for public works in: (a) the county of Bonaventure, Quebec; (b) the county of Restigouche, New Brunswick; (c) the county of Gloucester, New Brunswick, during each of the years 1932, 1933, and 1934?

MOTIONS FOR PAPERS

INSTRUCTIONS TO HEALTH OFFICERS

Mr. MITCHELL:

For a copy of all instructions issued by the Minister of Pensions and National Health to unit officers, medical examiners or headquarters' staff between March, 1933, and July 1, 1934.

CANADIAN WHEAT QUOTA

Mr. POULIOT:

For a copy of the announcement made by the Prime Minister just before he sailed from England in December, 1931, in regard to a quota for Canadian wheat.

CACOUNA, QUE. WHARF FOREMAN

Mr. POULIOT:

For a copy of all correspondence, petitions and other documents, respecting the appointment of a superintendent or foreman in connection with works at the Cacouna wharf, since the month of August, 1930.

CANADIAN GRAIN BOARD

PURCHASE, STORAGE AND MARKETING OF WHEAT AND OTHER GRAINS

Right Hon. Sir GEORGE PERLEY (for the Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to establish a board to be known as the Canadian grain board with power to purchase, receive and take delivery of wheat, oats, barley, rye and flax-seed, or any one or more of such grains for marketing and to sell, store, transport and market such grains, and to provide for the appointment of such clerks, employees and assistants as may be necessary, and to provide for their remuneration and for the expenses of, and arising out of, the operations of the board.

[Mr. R. Weir.]

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

Motion agreed to.

IMPORTS FROM U.S.S.R.

On the orders of the day.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, may I ask the government when I may expect to receive an answer to the question put to the government on February 22, Hansard, page 1179, concerning imports from U.S.S.R.?

Hon. R. B. HANSON (Minister of Trade and Commerce): Mr. Speaker, I beg the hon. member's pardon for not having answered the question sooner. I shall have the matter looked into and answer to-morrow.

Mr. POULIOT: Thank you.

DESTRUCTION OF FOOD

On the orders of the day.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to draw to the attention of the government an article appearing in the Ottawa Citizen of Saturday, March 2. This is a statement made by the Bishop of London, Doctor Winnington-Ingram before the assembly of the Anglican church, that among some of the anomalies existing in the economic world were wheat burned in Canada, coffee destroyed in Brazil and barrels of herring thrown into the sea. I believe such a statement, one affecting this country, should be corrected. We may be doing many foolish things in Canada but I hope we never do anything so foolish as to burn our wheat.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Would the hon. member submit his question?

Mr. REID: I am just drawing the attention of the government to the statement.

Mr. SPEAKER: The hon. member has no right to make a statement.

Mr. REID: I shall now ask the question.

Mr. SPEAKER: I must ask the hon. member to ask his question.

Mr. REID: Well, if other hon. members would leave me alone I would ask my question. Will the government take steps to see that such a report is corrected and contradicted?

REPORTED STATEMENT OF ITALIAN CONSUL GENERAL

On the orders of the day.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I should like to ask the government whether or not they are prepared to reply to the question I asked on February 28?

Right Hon. Sir GEORGE PERLEY: Is the hon. member referring to the question he asked about the Italian Consul General?

Mr. MITCHELL: Yes.

Sir GEORGE PERLEY: I have risen twice in attempts to answer the question but on both occasions other hon. members have spoken ahead of me.

The hon. member for East Hamilton inquired on Thursday regarding a report in the Ottawa Citizen of February 25 of an address given at a dinner in Ottawa on February 23, by the Consul General of Italy. I had the matter brought to Mr. Petrucci's attention. The following letter has been received from him, dated March 2, 1935:

Consolato Generale Di S.M.IL Re D'Italia
Al Canada
Ottawa, March 2, 1935.

Dear Sir:

I note the inquiry in the House of Commons to which you have called my attention.

I regret that the report of my address has given rise to misunderstanding of the purpose and meaning of my remarks. Nothing was further from my mind than to suggest that Italian citizens of Canada should urge "The abandonment of Canada's democratic form of government." I explicitly declared that I did not favour any propaganda. My address gave an analysis of the corporate state, and was mainly concerned with the new economic policies which were being worked out in Italy. I added that I found that much misunderstanding prevailed on these points, and suggested to my hearers that they might well endeavour to explain the real meaning of the new and interesting experiments that are being made, and which may have something of interest to any people in the present unsettled state of social organization. This suggestion was prompted by a friendly desire to make my country and its recent progress better known to Canadians, and to contribute in this way to still closer understanding between our countries. I added that the Italian men and women around me were indebted to Canada for their prosperity and expressed the hope that they would always do honour alike to Italy, the country of their origin, and to Canada, the country of their adoption.

I have the honour to be, sir,

Your obedient servant,
L. Petrucci,
Italian Consul General.

This letter is addressed to O. D. Skelton, Ph.D., M.A., Under Secretary of State for External Affairs. I am satisfied upon inquiry that the Consul General had no intention of interfering in Canadian affairs. It is only fair that allowance should be made for the difficulty which besets new comers in dealing with the finer points of English speech. I can assure the member for East Hamilton that the government of Canada would not countenance any intervention by a representative of a foreign government in Canadian affairs, or any support from outside to movements for social or economic change in this country. We have our own problems to solve and are entirely capable of solving them by the tried and tested democratic methods which are our heritage.

WESTERN POULTRY MARKETING

On the orders of the day:

Mr. W. G. WEIR (Macdonald): I directed a question to the Minister of Agriculture on Friday last, and I understood him to say he was prepared to answer it to-day.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I regret to say the returns are not yet completed. As soon as they are completed and a decision made, I shall reply.

SHIPPING ACT AMENDMENTS

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, may I ask the Minister of Marine (Mr. Duranleau) if it is his intention soon to introduce amendments to the Shipping Act? He knows some amendments are rather badly needed.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, the matter is under consideration. We are expecting further developments in the other dominions, and they will have to take place before amendments are brought down to the Shipping Act as uniformity is sought in such legislation.

BUSINESS OF THE HOUSE

On the orders of the day:

Right Hon. Sir GEORGE PERLEY: Mr. Speaker, I understand some requests have come from all sides of the house for an opportunity to see the film called "Lest we Forget," which is to be shown on Thursday evening next in the Capitol theatre, under the auspices of the Canadian Legion. We have considered the matter, and it is the intention at six o'clock on Thursday to move that the house do adjourn until the following afternoon at three o'clock.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR EXPENDITURE, INDEBTEDNESS AND THE REFUNDING OF MATURING OBLIGATIONS

Hon. EDGAR N. RHODES (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railways, to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year, 1935, and to provide for the refunding of certain maturing financial obligations.

He said: Mr. Speaker, I have only one observation to make, namely that the language of the resolution makes abundantly clear the purpose we have in mind. It is proposed to follow the usual practice of introducing a bill founded upon the resolution, which bill after second reading will be referred to the committee on railways and shipping.

Motion agreed to and the house went into committee, Mr. Stanley (Calgary East) in the chair.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 24, respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1935.

Motion agreed to and bill read the first time.

On motion of Mr. Rhodes the bill was read the second time and referred to the committee on railways and shipping.

FARMERS' CREDITORS ACT

AMENDMENTS TO FARMERS' CREDITORS ARRANGEMENT ACT, 1935

The house resumed from Friday, March 1, consideration in committee of Bill No. 10, to amend the Farmers' Creditors Arrangement Act, 1934—Mr. Rhodes—Mr. Gagnon in the chair.

On section 1—Short title.

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Chairman, two members of the house having done me the honour of replying to the observations I delivered on Friday last, I consider it my duty now to reply to them. The first one is a brilliant lawyer who poses as the champion of the French Canadians. This is how he commenced his speech:

I shall not attempt to follow the arguments of the hon. member for Mégantic (Mr. [Sir George Perley.]

Roberge). Everyone knows that every year the old gentleman repeats arguments along that line.

Is the hon. member for Dorchester (Mr. Gagnon) aware that this country has only two official languages, English and French? According to my information, ad hoc means that I present measures of no value. It is possible that they mean nothing to the hon. member for Dorcester, for I know how little interest he takes in the farming class.

My first speech of the present session was delivered on the 12th of February and related to the change of the interest rate. The bill had been introduced by the hon. member for Macleod (Mr. Coote), and I asked the government to have a measure adopted fixing the rate of interest at 4 per cent, in order that, after deducting the 1½ or 2 per cent contributed by the provincial government, the farmers of the province of Quebec would have to pay only about 2 per cent interest. I wonder if the hon. member for Dorchester and the hon. member for Compton will be pleased to inform their constituents that the farmers cannot obtain money at 4 per cent!

On the second occasion on which I spoke during this session, I asked the hon. Minister of Colonization (Mr. Gordon) to grant to farmers' sons an amount equal to that granted to them by the province of Quebec. That proposal also, according to these hon. members, is worthless. Well, I ask them to go to their respective counties and say that the federal government is doing nothing for the sons of farmers and is opposed to all federal aid. I continue, following word for word the speech of my genial colleague:

Everyone knows that the old gentleman ...

It is true, Mr. Chairman, that I am old in political life. I have been actively engaged in politics in Mégantic County since 1896, which is nearly thirty-nine years ago. Allow me to state, Mr. Chairman, that never in all that time has a Conservative been elected in that beautiful county. The hon. member for Dorchester is still rather young and is incapable of distinguishing between the provincial and the federal government, for three quarters of the speeches he delivers in this house are devoted to provincial matters. That is probably one of the reasons why he was not chosen as provincial leader of the Conservative party at the great convention held at Sherbrooke.

Further on, Mr. Chairman, at the foot of the page, appear these words:

This legislation has received the approval in Quebec of the bishops and the general approval of the unions of Catholic farmers all over the province.

No one has more respect than I have for the opinion of the bishops and no one is more anxious than I am to help the farmers. To mention a well known fact, Mr. Chairman, and to show you what has been accomplished in the county of Mégantic to help the farmers, I shall mention what has been done in my parish since 1922. We established the Pure Bred Cattle Young Breeders' Union and the Potato Growers' Association which have an organization beyond comparison in this country. We established the Fowl Breeders' Association which ships 15,000 to 20,000 chicks per year. We have the Farmers' Association which has bought a clover and timothy threshing machine. We have the Farmers' Wives' Club, the Farmers' Club and a demonstration farm which I secured from the dominion government since I represent the county of Mégantic.

Mr. Chairman, it is on behalf of all those associations that I asked that the rate of interest be set at 4 per cent, in order that the farmers and the small investors may be protected; that I also asked the government to present a measure providing for a 5 or 10 year moratorium which would allow our small investors to live without fear, and also our farmers to remain on their land in the meantime, without being disturbed if they paid their taxes and interests.

A little further on, at the foot of the page, I read the following:

I have news from my district, where the farmers have suffered perhaps more than the farmers of the county of Mégantic. I have a letter here from one official receiver who tells me that at the present time fifty per cent of the farmers are unable to meet their debts.

Now here is a county represented by a lawyer, where fifty per cent of the constituents are on the verge of bankruptcy. I live in a farming district, such as that represented by the honourable member for Dorchester, and in eight parishes of the beautiful county of Mégantic, out of a total population of more than 2,000 farmers, only one took advantage of this legislation. Moreover, let me tell you how the farmers of my district meet their obligations. The names of those who owe tax arrears for three or four years are sent to the county council, in order to make up the list of sales for taxes. On December 1st, I asked the secretary how many sales were to be held in my parish. He told me that the names of twenty farmers were to be sent to the county council. On January 15, I made further inquiries and he told me that there remained only two; last Monday, there remained one. As the sale is to be held on March 6, I hope that last case will be settled and there will be none left. That is how an old country merchant can protect the farmers in his county.

At the foot of the page here is what the member for Dorchester says:

I am a lawyer, Mr. Speaker; I cannot forget that, and I say that the creditor has just as much right to be protected as has the farmer.

I also say that the creditor has just as much right to be protected as has the debtor.

In order to protect the debtor, one must come to his aid and this assistance cannot be rendered to him through opposing a 4 per cent rate of interest, as was done by the hon. members for Dorchester (Mr. Gagnon) and for Compton (Mr. Gobeil).

Again, on page 1339:

Nevertheless I urge the Minister of Finance to continue his negotiations with the attorney general of Quebec in order to find ways to help the farmers.

The proper way to help the farming community is easily found: Let the dominion government fix the rate of interest at 4 per cent—the provincial government is prepared to pay half of that rate—and let them give our farmers, through the moratorium act, the assurance that they will not be disturbed for five or ten years; you will see at once an improvement in conditions.

And again, on page 1340:

I realize that in the future some people may have difficulty getting money from rentiers.

Mr. Chairman, we have there a confession on the part of the hon. member who states that he realizes that in the future it will be extremely difficult for a farmer to borrow any money from the smaller rentiers.

Let us see now how the hon. member for Dorchester looks after his electors and how he deals with them in this house. On page 1339, he said:

Unfortunately, Mr. Speaker, in the province of Quebec there are creditors who do not possess even an elementary sense of justice, and who have thus acquired many farms in my district.

Mr. Chairman, it seems to me that a man who claims to be as much of a patriot as the hon. member for Dorchester should not speak disparagingly of his province in this house. But the hon. member went further than that: during the last electoral campaign, in the province of Ontario, he went in the constituency of Cochrane-North and spoke against a French-Canadian, Mr. Abel. The French-Canadians experience great difficulties in obtaining representation in the Ontario Legislative Assembly, but this courageous man

who poses as a champion of the French-Canadian race went there and helped Mr. Abel's opponents.

May I now briefly refer to my hon friend from Compton (Mr. Gobeil). On page 1341, he made the following statement:

> Just now I know that the hon. member is using his frank to mail out thousands of copies of the remarks he made last week, some of which were just as bad as what we have heard to-day.

So, according to this statement, the hon. member of Compton claims that I made a worthless suggestion in this House when I was urging a subsidy of $300 for the sons of farmers; he claims that, when I insist on obtaining money at the rate of 4 per cent interest for the farmers, my suggestion is of no value. I would ask of him that he repeat the same statement to his own electors.

He said: "Just now I know that the hon. member is using his frank to mail out thousands of copies. . ." It is not usual with me, Mr. Chairman to make personal remarks; and this is the first time that I make any in this house. But, is the hon. member for Compton now in a position to give the house such information owing to the fact that one of his daughters is now employed as a stenographer in the House of Commons? I would ask the hon. Speaker of this house and the clerk to investigate the matter in order to find out who keeps the hon. member for Compton so well informed, and I insist on the guilty party being punished accordingly.

Mr. RHODES: On March 1, when the second reading of the bill was about concluded, the hon. member for Vegreville (Mr. Luchkovich) put some questions which I told him then I would answer in committee of the whole house. The first question was: How many of these cases are settled in the office of the official receiver? We can only give such information as is of record in the head office at the moment, and the figures which were given are on the whole much less than they would actually be if the returns were all in and up to date. An instance that arose in the office this morning would indicate that the statement I have made is accurate. One of the official receivers was in this morning and in the aggregate, in the list of settlements recorded at head office, he is shown as having had seventeen in his district whereas as a matter of fact there were over forty, the balance above seventeen not having come into the office and not being yet a matter of record.

The actual reported settlements made by official receivers as shown by figures at head office to-day are: British Columbia, 3; Alberta, 228; Saskatchewan, 143, Manitoba, 112; Ontario, 288; Quebec, 316; New Brunswick, 1; Nova Scotia, 1, making a total of 1,092.

The second question submitted by my hon. friend was: What proportion are sent to the board of review? The number referred to the board of review in Quebec as at date March 1, according to figures as disclosed at head office, was 763, of which 97 have been heard. In Ontario there have been 228, of which 106 have been heard. In Manitoba there have been 141, of which 51 have been heard. In Saskatchewan there have been 222, of which 90 have been heard. In Alberta there have been 276, and of these 102 have been heard. In other words, a total of 1,630 cases have been referred to the board and there have been 446 hearings.

Mr. STEWART (Edmonton): Hearings before the board?

Mr. RHODES: Yes. The rest of the information which the hon. member sought is as to the number of proposals that have been received. I must point out that the records in the head office must of necessity be behind the actual figures, because distance sometimes means many delays. The official receivers have in many instances been so busy in dealing with actual settlements and meeting with debtors and creditors that they have not had sufficient time to fill in the necessary forms imparting to the Central office the information sought. But as of March 2, the following is the number of proposals in hand:

Province—	Number of proposals
Prince Edward Island	57
Nova Scotia	3
New Brunswick	8
Quebec	1,167
Ontario	446
Manitoba	492
Saskatchewan	752
Alberta	640
British Columbia	20
Total	3,585

It will be recalled that in the course of my remarks at the conclusion of the debate on the second reading, I announced that the estimate in the head office at Ottawa is that at the moment there is actually a total of upwards of 7,000 proposals in process of consideration before the several official receivers.

Mr. GARLAND (Bow River): Before the minister passes that point, I should like to ask him a question. I think he said that there was a total of 1,092—was it decisions?

Mr. RHODES: No; those were actual settlements before the official receivers.

Mr. GARLAND (Bow River): Cases that are already dealt with?

Mr. RHODES: Settlements that are all closed and that were arrived at, as my hon. friend will realize, by mutual agreement between debtors and creditors.

Mr. GARLAND: Is this number included in the second number that the hon. gentleman gave us of 1,630 now before the boards of review?

Mr. RHODES: No; I think it follows that inasmuch as these are actual settlements arrived at between debtors and creditors before the official receivers, they would not go on appeal before the board of review, so that the number as given, namely 1,630, would be included in the 7,000 odd but not in the 1,092.

Mr. HANBURY: Will the minister say whether all the 1,630 are included in the 3,585, the total number of proposals?

Mr. RHODES: Yes.

Mr. HANBURY: Could he tell us how many farmers altogether there are in Canada? He has given us an estimate of 7,000 proposals.

Mr. RHODES: The figure I have in mind is 728,000, but I would have to have that verified. I have no statistics concerning this before me.

Mr. GARLAND (Bow River): That is the number of farms of ten acres and over.

Mr. RHODES: I think the hon. member for Bow River is correct, but I would like to verify the figure from the records.

Mr. HANBURY: The information is, I presume, approximately correct, because I have a great deal of confidence in what the hon. member for Bow River has to say in this connection. The point I wish to make is that under this legislation which has now been in effect for a year—

Some hon. MEMBERS: No.

Mr. HANBURY: —we have a total number of proposals of 7,000. The total number of farmers is approximately 780,000. In other words, under this measure we are legislating for less than one per cent of our farm population. I think the legislation is desirable, but I wish again to point out to the minister that I believe the time will arrive very shortly when the fact that we are keeping on our statute books legislation for the benefit of a very small proportion of the population will work to the disadvantage of those we are attempting to help. Has the minister given any consideration to the suggestion which I made to him that in the form of an amendment to this legislation some definite date should be set at which the legislation would be concluded?

Mr. RHODES: My hon. friend was, I know quite inadvertently, in error when he said that this legislation had been in effect for a year. As a matter of fact it was first proclaimed in Alberta, Saskatchewan and Manitoba on September 1 of last year. That is the date of the proclamation. It went into effect in those three provinces first. But my hon. friend will bear in mind that following that there had to be machinery set up of an entirely new character and obviously that could not be done in a day. Then the act was proclaimed in Quebec on October 1 and in Ontario on October 1. Only on November 1 was it proclaimed in British Columbia, Nova Scotia and Prince Edward Island and the same statement I made a moment ago with respect to the establishment of the necessary personnel to bring the act into operation obtains with respect to the latter provinces. This is a very different matter from an act having been in force for a year. I can express my view only for what it may be worth and that is to say that the number of those who have availed themselves of this act has far exceeded anything that I had anticipated, certainly in such a limited period of time.

Mr. HANBURY: I asked the minister whether the government had given any consideration as to setting a date for the conclusion of this legislation. I am not saying how soon that date should be.

Mr. RHODES: The government has reached no decision in that matter for the very obvious reason that the act has been in operation for only a comparatively short time and the question when it will be concluded must be determined by experience in the operation of the act and by judgment from the circumstances as to how much longer it may be required to be in operation.

Mr. COOTE: I think the first meeting of any board of review in western Canada was not until some time after the new year, so that really very little advantage has as yet been taken of the act. Quite obviously it has not been in operation for a long period of time.

I was going to ask the minister whether he had any idea how long it would take the boards of review to hear the cases that are now before them. This question might perhaps better come under clause 2, but I have some doubt whether the change that is being made in that clause, changing the sixty-day period to ninety days, will give a really long enough period. In many cases more than ninety days are certain to elapse between the time the farmer makes application to the official receiver and the date on which the board of review can give a decision in his case. The board has before it now sufficient cases to keep it going for months.

Mr. RHODES: If my hon. friend does not object, I would prefer to discuss the question of the ninety-day period when we reach that clause. I know there will be some other questions with respect to it, and I should like to deal with them all at once. My hon. friend is right in indicating that it was only in December that the board of review started to function in the western provinces, and while there were some cases heard in December there were no decisions rendered until after the turn of the New Year. The hon. member asks how long it will take the board to dispose of the cases now before them. That is a very difficult question to answer, because some cases may take much longer than others. I am advised that the largest number dealt with in any one day by the board has been ten. But I must pay this tribute to the assiduity and fidelity with which the members of the board of review have addressed themselves to their task. I am informed that in Alberta the board are sitting from nine o'clock in the morning until midnight. Under those conditions they should quickly clean up the cases now before them. But it must be borne in mind that a new lot is coming along all the time, and under those circumstances, until the act has accomplished its purpose there will of necessity always be some accumulation of arrears.

Mr. SANDERSON: I have no desire to delay the passage of this bill through the committee, but I would like to make one or two observations. At the outset I say that I approve of this amendment, as I approved of the act last year. The minister said the act came into force in Ontario on October 1, last. Of my own personal knowledge of the part of the province I come from I am glad to be able to tell the minister and the government that a great many farmers have availed themselves of the help afforded by the act. In my own home town two weeks ago the official receiver addressed a large gathering of farmers from the surrounding country explaining the act, and I am glad to pay my tribute for once at least to the government—

Mr. COTNAM: For the first time.

Mr. SANDERSON: —for this act has alleviated the difficulties of many farmers who found themselves in debt. I do not say that it cures all their ills, but it does afford a measure of relief not only to those directly taking advantage of the provisions of the act, but I am advised and on inquiry find the information is correct that many farmers who find themselves in difficulty, invoke the official receiver to act as arbitrator between creditor and debtor, without formally seeking relief under the act. A conference takes place and an agreement results whereby the debtor is relieved to some extent, temporarily or otherwise, of his worries. Another feature is that many farmers who are in difficulty do not like to publish it to the world. People in such circumstances are often very sensitive about it. Many people, farmers especially, find themselves in difficulty for the first time, and they do not want even their neighbours to know about it. Often they get some relief through this act by merely putting their case before the official receiver who perhaps takes it up and arranges a settlement, though it may be only temporary. So I am glad to commend the government for this act and for this amendment. I have no criticism of it to offer at all; I am in favour of the amendment and shall vote for it.

Mr. CARMICHAEL: The hon. member for Vancouver-Burrard (Mr. Hanbury) seemed to make a point of the small number of proposals that have come forward under this legislation. To me it seems a remarkable response to have something over seven thousand cases brought to the attention either of the official receiver or the board of review since this act has been in effect, a matter of some three months. I do not think it is incumbent upon the minister or the government to set any definite time for which the legislation shall last. Its usefulness is not confined to those particular cases which come before the official receiver or the board of review for consideration; to my mind many cases have been disposed of satisfactorily to the parties concerned without even coming before the official receiver. I have in mind a particular case. As executors of an estate in the west three of us approached the official receiver in our judicial district to have the interest rate on a mortgage reduced. The mortgage was for $1,300 on a quarter section, at 8 per cent interest. We found on approaching the

official receiver that it would be necessary to take out letters of administration before he could proceed with the case. Rather than go to that expense we decided to write directly to the mortgage company and ask them if they would voluntarily reduce the rate. They replied that they would, and it was reduced from 8 to 6 per cent, and we did not go any further in connection with the official receiver. I think perhaps there may be scores of such cases settled satisfactorily to all parties without coming formally before the official receiver or the board of review.

Mr. RHODES: To give the committee a little more of the picture, I might indicate that the number of upwards of seven thousand which I mentioned includes only those proposals which have been actually formulated and documented; it does not include the many cases which have been settled, in some instances through the intervention of the official receiver, in others merely through the existence of the act. But settlements effected outside of the act have been just as efficacious as if they had been the subject of proposals formally recorded under the act; the case in point mentioned by the hon. member for Kindersley (Mr. Carmichael) illustrates that. Then in addition there are hundreds and thousands of cases in which preliminary interviews are being had with the official receiver which in the large majority will ultimately result in proposals being actually formulated. Of course there are other cases in which official receivers, either because of the hopelessness of the situation or the unfairness of a given proposal, have refused to proceed with a proposal which in the nature of things they knew would not be acceptable. I give that additional information to make clear what the figures I mentioned actually mean.

Mr. GARLAND (Bow River): This is interesting, but I do not want to be in any confusion. I understood the minister to say that as of March 2 the number of proposals under the scheme totalled 3,585. Is that correct?

Mr. RHODES: That is the number they have received at head office, but I am advised by head office that owing to the circumstance that there is an inevitable delay in receiving reports by mail, as many take some days in transit, and further that many of the official receivers are so busy holding meetings between debtors and creditors that they have not time to fill in the necessary reports to keep the information up to date, it is the opinion of the central office, having in mind the usual arrearage, that the number of actual proposals now before the official receivers is upwards of seven thousand.

Mr. GARLAND (Bow River): Then the seven thousand is purely an estimate at the present time?

Mr. RHODES: Yes, based on experience of the lag between the actual formulation of proposals before the official receivers and the entering of the records in the central office.

Mr. DUPRE: I find the attitude of some Liberal members from the province of Quebec very strange, and since I represent a district in that province I think I should say a few words in answer to what was said last week, particularly by the hon. member for Mégantic (Mr. Roberge) and the hon. member for Laprairie-Napierville (Mr. Dupuis).

The purpose of this law is to help the farmer who is in financial difficulties. Is there anything wrong in that? The purpose of this law is to help the farmer who cannot meet his obligations. We have created a system by which the farmer who is in debt goes to his creditors in order to discuss a settlement, to find a remedy to enable him to meet his debts, to adjust his situation, to turn over a new leaf, to start life anew, to keep his farm which is the patrimony of his family, and everything that is dear to him. I think some illustrations of what has taken place in the province of Quebec under this legislation will be of greater benefit than any theoretical analysis of the measure itself. I have before me a report in regard to the working of this legislation in the province of Quebec, which states that up to the end of January 9,290 farmers had interviewed receivers. 1,703 proposals had been filed and 226 settlements had been reported as having been voluntarily arrived at before the receivers as between the farmer debtors and their creditors. Over 600 cases had been brought to the attention of the board of review, and up to Saturday, February 16, the board had dealt with 65 cases. It had been successful in most cases in so conciliating the farmers and their creditors that arrangements have been made which were satisfactory to both parties. Further information is to the effect that to the first of this month the board have dealt with 100 cases, instead of 65. The net result in respect of the 65 cases I have mentioned has been a reduction in capital debt of about $100,000 and there also has been a substantial reduction in the carrying charges, which means that the cost of production will be decreased to that extent.

In order to answer the hon. member for Laprairie-Napierville and the hon. member

for Mégantic, who spoke of the plight of the farmers of Quebec, and in order to indicate the cooperation that is being developed as between debtors and creditors I should like to refer to one case that was heard by the board of review in Hull, Quebec. The farmer had requested a reduction in his interest rate from six per cent to five per cent, as well as an extension of his mortgage indebtedness. When the creditor who held the hypotheque came before the board of review he consented to the extension and at the same time went further than the farmer had requested by reducing, on his own initiative, the interest rate from six per cent to three per cent.

The board of review is definitely proceeding on the assumption that the principles of conciliation should be applied and that while every reasonable consideration must be given the claims of creditors, at the same time it is absolutely essential to restore the credit of the farmers. Consequently it is in the interests of all concerned that the indebtedness be so rearranged as to insure that the farmer again will be a good credit risk. This legislation, however, is not functioning only to reduce and so arrange liabilities that the farmer may be able to meet them; it is re-establishing—

Sir EUGENE FISET: Mr. Chairman, I rise to a point of order. The other day when the hon. member for Mégantic was reading from his notes he was called to order, and I should like to direct your attention to the fact that the Solicitor General is doing exactly the same thing to-day.

Mr. DUPRE: I must direct the attention of the hon. member to the fact that I took the trouble to state that I had before me a report concerning the activities of the board of review. It is this report on which I am commenting and from which I am giving some extracts. Perhaps the hon. member was not here when I made that statement.

The CHAIRMAN (Mr. Gagnon): I must say that in my opinion the point is not well taken.

Mr. McPHEE: Is my hon. friend quoting from a government return?

Mr. DUPRE: This is a report which is at the disposal of all hon. members; it has been issued by the Minister of Finance. Any member can read it, but hon. gentlemen opposite do not seem to have done so, because everything they have said is contrary to what we have heard from the board of review.

Mr. McPHEE: Would my hon. friend state where he obtained this report, because I have no such report.

[Mr. Dupré.]

Mr. DUPRE: I cannot answer everyone at the same time, so first I will answer my hon. friend from Rimouski. I have before me a report in connection with a few cases dealt with in the province of Quebec.

Mr. McPHEE: My hon. friend has no right to quote unless it is from a public document. If it is a return which was tabled in this house he has a right to quote from it.

Sir EUGENE FISET: My point of order was that the Solicitor General was not only reading from what he called an official report but that he was also reading his own comments from his notes. That is exactly what the hon. member for Mégantic was doing the other day; that is the point to which the hon. member for Compton objected and the point to which you, Mr. Chairman, also took exception.

The CHAIRMAN (Mr. Gagnon): For the benefit of members of the opposition I may say that it has been decided time and time again in this house that a member has the right to consult notes in making his speech.

Sir EUGENE FISET: Not read from them.

The CHAIRMAN (Mr. Gagnon): Therefore, I do not understand why the Solicitor General should not do what any other hon. member is allowed to do, namely to consult his notes.

Mr. VENIOT: I rise to a point of order. A similar reason was given when only a few days ago the hon. member for Mégantic was speaking from this side of the house, and at that time the chair drew the attention of the hon. member to the fact that he should not read too copiously from his notes.

Mr. HANSON (York-Sunbury): Where do you draw the line?

Mr. VENIOT: Yes, where shall we draw the line? If the chair objected to the hon. member for Mégantic reading copiously from his notes, I do not see why we have not the right to object to the Solicitor General reading copiously from his notes.

Mr. GIROUARD: I am surprised to note the stand taken by the chair to the objection raised by the hon. member for Rimouski. Last Friday when the hon. member for Mégantic consulted his notes he was told that he was reading his speech. I would observe however that he was doing only what the Solicitor General is now doing, merely consulting his notes. Therefore, Mr. Chairman, I dispute your authority to decide that the objection taken by the hon. member for Rimouski is out of order.

The CHAIRMAN (Mr. Gagnon): I thank the hon. member for his courtesy, and to close the discussion I shall ask the Solicitor General to make his speech without consulting his notes. It will be the first time in the House of Commons an hon. member has not been allowed to consult notes, but the decision may please the opposition.

Sir EUGENE FISET: He was reading from them.

Mr. DUPRE: Continuing to read from the report, which I have in my hand—

Some hon. MEMBERS: No.

Mr. McPHEE: No, the chair has made a ruling on that point. The Solicitor General is quoting authoritatively certain statements from a report which has not been tabled and is not properly before the house. We have no means of knowing whether or not the statement is authoritative. I submit he must desist from reading, or show that it is a public document tabled in the house.

Mr. RHODES: Surely the hon. member does not go the length of saying that a minister of the crown is debarred from quoting any document which does not happen to be an official document. If that is his statement he will find no precedent for such a decision. I am not stressing the point of order, but I do not think the statement made by the hon. member should go unchallenged. He will find no authority for the position he has taken. The rules say only that if a minister does quote from a document he must upon request lay it upon the table,—that is, an official document.

Mr. MACKENZIE (Vancouver): We do not know what this report is.

Mr. RHODES: It may not be a report; I do not think it is, in fact.

Mr. McPHEE: The Solicitor General said it was.

Mr. HANBURY: And gave the Minister of Finance credit for it.

Mr. RHODES: I think the Minister is under a misapprehension. I did not follow him closely, but what I understood him to say was that he was referring to a statement handed to the press and having to do with the operations of the act. Naturally from time to time the press asks for such statements for the purpose of informing those who are interested in the operations of the act, and so that those people may be informed as to the progress being made. I have risen only because I do not wish the hon. member for Yorkton to labour under the misapprehension that what he has stated is a correct interpretation of the rule.

Mr. MACKENZIE (Vancouver): The rule is explicit, indeed, to the effect that an hon. member cannot quote from any outside authority commenting on any subject matter in the present debate. If the hon. member is quoting from an official document of the house he should inform the committee as to what the document is, such document having been tabled previously. Otherwise he is out of order.

Mr. RHODES: The hon. member is citing a well known rule which has reference to comment upon legislation. In the present instance, however, the minister is not referring to this legislation at all. What he is reading refers to the operation of the act, and does not deal with this bill.

Mr. MACKENZIE (Vancouver): The same point prevails. It is a comment referring to the operation of this particular act, and therefore referring to the present debate. For these reasons I say it should not be quoted.

The CHAIRMAN (Mr. Gagnon): May I draw the attention of the hon. member to the observations contained at page 104 of Beauchesne's Parliamentary Rules and Forms:

> It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interests. The same rule, however, cannot be held to apply to private letters or memoranda.

Therefore, if the Solicitor General is quoting from a memorandum he is not obliged to deposit it on the table of the house.

Mr. MACKENZIE (Vancouver): The minister is not telling the committee what he is quoting from.

Mr. RHODES: I direct the attention of the hon. member for Vancouver Centre to the rule which he had in mind, as it appears at page 101 of the aforementioned 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.

The Solicitor General certainly was not reflecting upon any proceedings before the house, nor was he denying a statement made by any member.

Mr. MACKENZIE (Vancouver): He was referring to it.

Mr. RHODES: Merely citing from a newspaper report—

Mr. VENIOT: Was he not commenting?

Mr. RHODES: Not certainly in the sense of the rule. The comment had no reference to the operation of the bill before us. As a matter of fact I have no doubt it had reference to the subject matter of the bill, but not to the bill itself—which is a vastly different thing. He was dealing with the question of the operation of the Farmers' Creditors Arrangement Act.

Mr. VENIOT: Was he not out of order in dealing with that matter?

Mr. RHODES: I have risen simply to indicate that the hon. member for Vancouver Centre is going a little beyond the rule.

Sir EUGENE FISET: May I direct the attention of the chair to the fact that the discussion is out of order. To begin with the point raised is not that the Solicitor General is reading from a report but that he is reading from a document which he has in his hand—not only the report he has mentioned, but also his own comments. Therefore I say he was reading his speech from written or printed notes. That was the point of order I raised. He has no right to read a written speech. That was the point raised a few days ago in connection with the observations of the hon. member for Mégantic. I believe the rule which applied to one should apply to the other.

Mr. GOBEIL: It started with the Liberal whip.

Mr. McPHEE: With all due deference—

The CHAIRMAN (Mr. Gagnon): Just a moment. I have already stated to the hon. member for Rimouski that the general rule is that a member has the privilege to consult his notes. Therefore if the Solicitor General is simply consulting notes my ruling would be that he is in order.

Sir EUGENE FISET: But, Mr. Chairman, will you decide this further point: Outside of consulting his notes has the Solicitor General the right to read his personal comments on those notes? Has he the right to read a printed statement? That is the point which was raised by the hon. member for Compton only a few days ago respecting the remarks of the hon. member for Mégantic.

Mr. DUPRE: I might satisfy the hon. member for Rimouski by stating that I was reading from a report but I have not my own comments written down. I have only a few notes I had intended to use at the end of my speech.

Mr. McPHEE: I believe the Solicitor General said that possibly the report from the Department of Finance which he held in his hand would prove better than any words of his how the act had operated in the province of Quebec. Then he proceeded to read what I understood to be a report of the Department of Finance. If my understanding is correct I say such report ought to be public property before any hon. member should have the right to quote it as an authority.

Mr. RHODES: It has been published by the press. I believe it appeared in the press some weeks ago.

Mr. MACKENZIE (Vancouver): Comment on press reports is out of order. I think the minister should inform the committee where he got the document, where it came from, and who published it.

Mr. DUPRE: This is a compilation of a few cases which have been dealt with by the board of review in the province of Quebec.

Mr. MACKENZIE (Vancouver): By whom?

Mr. DUPRE: What I want to tell the house is how these cases have been dealt with in the province of Quebec. This information comes from the people who were appointed by the board of review. I want to show the house that the comments that were made last Friday by the hon. member for Mégantic and the hon. member for Laprairie-Napierville were absolutely unfounded. The first case is one coming from the judicial district of Beauce.

Mr. MACKENZIE (Vancouver): I rise to a point of order, Mr. Chairman. The minister is reading from a report, and I submit that in all fairness the committee is entitled to know the nature of the report, who prepared it, and whether it is an official, ministerial document or otherwise.

Mr. MANION: Speaking to the point of order, Mr. Chairman, may I quote rule 315 which you have already quoted, and which seems clear enough?

> A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it upon the table.

The Minister of Finance has stated, and the Solicitor General has stated, that this

is a general report on the workings of the act which was given to the press by the Department of Finance.

Mr. MACKENZIE (Vancouver): By whom?

Mr. MANION: The Minister of Finance has already stated that; I heard him.

Mr. MACKENZIE (Vancouver): Oh, no.

Mr. MANION: He stated it a few moments ago, and if the Solicitor General is willing to lay the report on the table of the house, which he is—

Mr. MACKENZIE (Vancouver): He has not said so. You are saying it for him.

Mr. MANION: He can say so, and then he can go on quoting from it.

Mr. DUPRE: I have no objection to laying it on the table. It is simply a report that has been issued to the press and maybe some of the members have already read it. The first case I want to mention was in the judicial district of Beauce.

Mr. MACKENZIE (Vancouver): May I ask you, Mr. Chairman, if the minister is going to lay this on the table under rule 315?

The CHAIRMAN (Mr. Gagnon): I submit that the hon. member ought first to ask the Solicitor General from what he is quoting.

Mr. MACKENZIE (Vancouver): I did, and I never got an answer. The Minister of Railways (Mr. Manion) answered for him.

The CHAIRMAN: It was stated that the hon. gentleman was reading from a report which was given to the press, and therefor I submit that he is in order and can proceed with his speech.

Mr. DUPRE: For the third time I wish to say, Mr. Chairman, that the first case is from the judicial district of Beauce. A farmer had a mortgage on his land, and the creditor intended to have the land sold by the sheriff, which would have meant that the farmer would have been left entirely destitute. A meeting of creditors was called, and the creditor compromised the amount of the mortgage, reducing his claim by $500 and reducing the interest rate as well. To indicate how good feeling had been restored between the two, may I say that the creditor, whose original intention had been to have the land sold through the sheriff, had come to the meeting by rail while the farmer had come in his rig, but after the meeting was over, the two returned home in the farmer's rig the very best of friends and with the best of understandings between them.

Case No. 2 comes from the judicial district of Bedford. A farmer had a mortgage debt of $6,500 and ordinary debts amounting to $2,475. In addition to his ordinary debts he had endorsed notes for his son to the amount of $2,600. The farmer asked for a reduction in the mortgage, and in the interest rate, and also asked for a reduction in the ordinary claims. A meeting was held and the creditors could not agree, but later realizing that if the farmer was not assisted he would not be able to pay the ordinary creditors and that they would lose everything, a second meeting was called and the mortgages were extended, the interest rate was reduced from six to four per cent, and the ordinary creditors agreed to accept 25 per cent of their total claims, $5,075, payable in five yearly payments without interest. All were satisfied with the arrangement.

Case No. 3 came from the judicial district of St. Hyacinthe. A farmer had taken over his father's obligations as the latter was growing old. He faced liabilities of $7,000 besides a very heavy mortgage. He applied to the official receiver and made a proposal to his creditors. The creditors, numbering about twelve, who did not know one another, met and were at first very ill disposed, but the true situation of the farmer was put before them, and after discussing it fully, an arrangement was made with which everybody appeared pleased. The arrangement was ratified by the court. The debtor obtained a reduction of $5,000 in his total liabilities. If he had been sold out by the sheriff the creditors would have received very little, if anything. The official receiver stresses the tolerance of the creditors towards the debtors which is developing as a result of this legislation.

Mr. BOTHWELL: May I ask how much of a reduction was made in the first mortgage in case No. 3 which the minister has just given?

Mr. DUPRE: I have not got that information. The farmer faced liabilities of $7,000 besides a very heavy mortgage, and he obtained a reduction of $5,000 in his total liabilities.

Mr. BOTHWELL: The minister cannot give any information as to what the reduction was on the secured claim?

Mr. DUPRE: I have not got that information.

Case No. 4 comes from the judicial district of Hull. The debtor owned some land free from any encumbrance. A few years ago he purchased another piece of land.

Mr. McPHEE: Surely this was never given to the press. It must be a public document, and should be tabled.

Mr. MANION: The minister has said that he would table it.

Mr. HANBURY: Is he going to table his whole speech?

Mr. MANION: This is not his speech. He is quoting from the report, which he is going to table.

Mr. DUPRE: A few years ago this debtor, desirous of enlarging his estate, purchased another piece of land of the same size as the first. Then unfortunately the depression came and he could not make his payments, and he found himself with both pieces of land mortgaged for more than their value. He had a meeting of his creditors. The creditor who had sold him the second piece of land took this land back and released the piece of land which the farmer originally had. The farmer now has this first piece of land free of any charge and has regained confidence, while a few weeks ago he thought he would have to lose both pieces of land. The creditor is also perfectly satisfied.

Case No. 5 is in the Richelieu judicial district. Last fall a farmer came to the official receiver and informed him that his liabilities totalled $6,100, plus two years' interest, and that he had offered his sole creditor to pay four per cent per annum, but the creditor insisted upon five per cent or otherwise the farmer would have to leave the farm. The farmer made a proposal and a meeting of his creditors was called. After mutual explanations the mortgage creditor agreed to reduce his claim by $800, and to leave the balance of the principal for five years at three per cent. The other creditors accepted two per cent per annum, and they all parted the very best of friends.

Mr. McPHEE: Is that in the report?

Mr. DUPRE: Case No. 6 was in the Abitibi judicial district. The official receiver of the district reports that it is a very interesting case. The creditor accepted a mortgage for a period of five years, reducing the interest rate to three per cent during the five years. The mortgage had been in default. The official receiver says:

[Mr. Bothwell.]

I thought it would be practically impossible for me to bring about any kind of arrangement between this farmer and his creditors. But after the arrangement was made I had the pleasure of seeing them shake hands and express mutual satisfaction at the arrangement. I could not help congratulating both of them.

We have heard members on both sides of the house asking for a reduction in interest. This legislation will enable the farmer to apply to the receiver or to the board of review and secure reduction in his interest charges.

On Friday we heard the hon. member for Laprairie-Napierville say that the farmers were sorry that they were required to humiliate themselves, as they must do, to take advantage of this legislation. Well, the point I want to make is this, that there is absolutely nothing compulsory in this legislation. This is a mechanism created for the benefit of the farmer. If he wishes to use it in order to reduce his liability he is at liberty to do so, and if he does not wish to avail himself of it, he is equally the master of his own actions.

Then I heard, also on Friday last, the hon. member for Laprairie-Napierville qualify this legislation as socialism. As was pointed out by the Minister of Finance, the hon. member for Laprairie-Napierville seems to confuse socialism and social legislation. This is the kind of social legislation that we have inaugurated in order to relieve distress and to take care of the farmer and of the working man, and the appellation or qualification of socialism does not disturb us. This is good legislation based on what has been called by high authority social justice—based on the principle of a more just and equitable distribution of wealth. What has been said of the working man is that he must have sufficient wages to supply his family with their ordinary needs: he must have an ample sufficiency for his living. The same must apply to the farmer; he must be enabled to bear the family's burden with greater ease and security, being freed from that hand to mouth uncertainty which is the lot of some of the farmers and working men.

In his remarks the hon. member for Mégantic made certain statements which I have translated almost word for word. He said that there was never a law passed by this parliament so harmful to the rural class as this one, except the law of conscription. He intimated a few lines further on that this legislation imposes on the farmer the conscription of capital. Then later on he says: "This legislation is the most unjust that has ever been adopted in this house. It destroys the credit of the farmer; it establishes the conscription of the money that the small village

rentier did possess in the beautiful province of Quebec that we inhabit." A few minutes before that, at page 1337 of Hansard, he said: "Mr. Speaker, I am opposed not only to the conscription of money but also to every kind of conscription, and it is the principle which is at the basis of all laws that this government has caused to be adopted since it has been in power and by which it has done so much harm to the rural class and to the working man."

Now my point is this. Here is a law that was qualified last week by the hon. member for Mégantic and by the hon. member for Laprairie-Napierville as infamous, arbitrary, vicious; and still this is the law which was voted unanimously last year when it came before the house. Moreover, a few minutes after the hon. member for Mégantic made these utterances about the vices of this law, how infamous it was and so forth, this bill was adopted unanimously by the house. This is indeed a very strange action. If the utterances of the member for Mégantic indicate the sort of electoral arguments that our friends opposite are going to use in the next campaign, I say to them, very well, we accept the challenge.

Mr. POULIOT: It was accepted before.

Mr. DUPRE: But I say this, that the province of Quebec and the electors of Canada at large must know of this attitude of the Liberal members from that province. If our opponents are to call our legislation infamous, vicious, arbitrary, as bad as conscription, and vote for it afterwards, then the province of Quebec must know. What our friends opposite seem to forget is that the grip of the Liberal party in the province of Quebec, in both the federal and the provincial fields, no longer exists. It was easy for them to have recourse to such tactics in the past because conditions were quite different from what they are today.

Mr. BOUCHARD: Why is the hon. gentleman referring to the members on this side? He mentioned one name, the hon. member for Mégantic. I hope my hon. friend is not very anxious to fall into such a sophism.

Mr. POULIOT: The member for Mégantic is a good member.

Mr. DUPRE: I suppose the inference I am to draw from the observation of my hon. friend from Kamouraska is that he does not approve of the declarations of the hon. member for Mégantic—

Mr. BOUCHARD: No, it does not mean anything of the kind.

Mr. DUPRE: —nor of the hon. member for Laprairie-Napierville. But if he does not approve, and if hon. members opposite do not approve of those utterances they are at liberty to say so and I invite them to say so.

Mr. STEWART (Edmonton): Is the hon. member looking for trouble? If he is, he will get it.

Mr. DUPRE: We should know the truth.

Mr. REID: You are putting that view as the view of all here.

Mr. DUPRE: What the hon. member for Vancouver Centre seems to show is that he is not thoroughly au courant with what takes place in Quebec. While he on the one hand might in his own province be speaking in favour of the legislation, saying it is good, in our province on the other hand some members sitting on the same side of the house as he does will come and repeat the utterances delivered in this house by the hon. member for Mégantic and the hon. member for Laprairie-Napierville.

Mr. REID: That is their privilege.

Mr. DUPRE: In closing, I might say this to the hon. member for Vancouver Centre: Recourse to such tactics was very easy in years gone by when there were no French Conservative members, but now conditions are changed, and tactics of that sort will not have any chance in the years to come.

Mr. McPHEE: The hon. member has concluded his remarks and he has not yet tabled the document from which he read. I would ask now that he kindly table it.

Mr. REID: He said that it was available to all members.

Mr. VALLANCE: It should be tabled forthwith.

Mr. MACKENZIE (Vancouver): I think the point of order is well taken.

Mr. RHODES: If my colleague the Solicitor General desires to table the document, there can be no objection, but I submit he is not called upon to do so.

Mr. VENIOT: He agreed to do so.

Mr. RHODES: That is another matter. I simply wish to establish the precedent that a minister is not called upon to table other than an official document; that is all he is called upon to table if he cites it, but he is not called upon to table other than an official document.

Mr. McPHEE: For the peace, order and good government of this house the Solicitor General had better carry out what he said he would do.

Mr. MACKENZIE (Vancouver): The Solicitor General distinctly stated that this was an official document—

Mr. RHODES: No.

Mr. MACKENZIE (Vancouver): —available to the members and issued from the department of his colleague the Minister of Finance. But the Solicitor General said that it was an official document and the Minister of Railways said that it would be tabled.

Mr. RHODES: Did my hon. friend not hear my colleague state that it was a report and not an official document?

Mr. REID: And available to the members.

Mr. RHODES: Yes, available.

Mr. MACKENZIE (Vancouver): It was a report from the Department of Finance and available to all members. The Minister of Railways said three or four times in the course of the debate that the document would be tabled. I think under standing order 41, paragraph 315, when this purports to be a public document the minister is constrained in all decency to table it, and the hon. member for Yorkton is in order in asking the minister to table a public document from which he has quoted.

Mr. RHODES: The hon. member for Vancouver Centre, quite inadvertently I am sure, made two mistakes. He said that my colleague the Solicitor General had said first that this was an official document; second that it was a public document.

Mr. MACKENZIE (Vancouver): He said that it was published in the press.

Mr. RHODES: That is not a public document. According to my hon. friend's contention, every newspaper would be a public document.

Mr. MACKENZIE (Vancouver): He said that it came from the Department of Finance.

Mr. RHODES: We will deal with the first two statements first. My colleague the Solicitor General did not say that it was an official document or a public document; he said that it was a report and issued by the Department of Finance. It is quite true he said that. I rose at once to correct that, because my colleague I was sure was inadvertently in error. What happens is that from time to time in all departments of government the press come asking for information as a matter of public interest with respect to the operation of different acts. That is how this statement to the press emanated in the first instance. It is in no sense an official document; it is in no sense a public document.

Mr. VENIOT: Then it cannot be depended upon as a correct report.

Mr. RHODES: That is another matter entirely. We are dealing now with the question of procedure. It is neither a public nor an official document and I think the hon. member for Vancouver Centre will bear me out that when he rose I said that I had no objection to my colleague laying the document on the table. I merely wish to guard against the establishment of a new rule which has not hitherto obtained and should not now obtain, that because a minister of the crown reads from a paper it must ipso facto be laid on the table.

Mr. MACKENZIE (Vancouver): No one said so.

Mr. RHODES: The rule only requires that a public or official document which is quoted by a minister shall be laid on the table; it goes no further than that. I submit without any doubt in my mind that this is neither an official nor a public document. If my colleague desires to lay it on the table, I am quite content.

Mr. MACKENZIE (Vancouver): This is the most extraordinary situation that has arisen during the time I have been a member of this house. We have had three statements. The first was from the Solicitor General who proceeded to read to the committee a document. When hon. members on this side asked the Solicitor General what document he was reading from, he said that it was a document from the Department of Finance. I accept absolutely the statement of the Minister of Finance. He corrected his colleague and said that it was not from the Department of Finance or issued under its authority. When we on this side asked, as we were entitled under the rule, that the document be tabled, the Minister of Railways took charge and three times stated that the document would be tabled immediately the Solicitor General had finished. As soon as the Solicitor General had finished, the hon. member for Yorkton asked that the document be tabled. We are now having excuses from the Minister of Finance why the document should not be tabled. The Solicitor General in courtesy to the committee should table the document and then we shall be able to say whether it is a public document or not.

Mr. VENIOT: The Minister of Finance says that only an official document must be tabled. This may not be an official document in the sense that it does not have the signature or authority or prestige of any head of a department or a minister of the crown, but it is an official document if the statements we have heard here this afternoon are correct, that it was issued with the consent and authority of the Department of Finance, going to the newspapers with authority to issue it as correct. In that sense it becomes an official document. It was authorized by the department, otherwise the newspapers would not issue it. Having been authorized by the department and issued in a newspaper with the consent of the department, it becomes ipso facto an official document.

Mr. RHODES: While I have the greatest respect for my hon. friend especially after he has celebrated the fiftieth anniversay of a happy wedded life, I cannot allow him to make a statement of such a nature without rising to protest. In the first place I have stated that this was not a document issued by the Department of Finance.

Mr. VENIOT: Authorized.

Mr. RHODES: I took pains to say that a long time ago, so that the hon. member by no stretch of the imagination can say that it is an official document. I do not know that any good purpose will be served by the document being laid on the table, but if my colleague the Solicitor General desires to table it, I have not the slightest objection.

Mr. MACKENZIE (Vancouver): The Minister of Railways promised that it would be tabled.

Mr. RHODES: I wish it however to be clearly understood that it is not an official document and not a public document.

Mr. MACKENZIE (Vancouver): Is the Solicitor General prepared to table the document now?

Mr. DUPRE: Certainly. I have no objection whatsoever.

Mr. POULIOT: May I ask the Solicitor General to table the document now in order that we may have an opportunity of seeing it? When I heard the Minister of Finance say that the document had no importance whatever I understood that he knew of it, and that he gave judgment on that paper after having seen it. Though it may have no importance in the eyes of the Minister of Finance it might have importance in the eyes of opposition members and other hon. members of the house. When the Solicitor General said, "I make it available to members of the house and to my colleagues," and when the Minister of Finance first rose what he said was not very clear. I thought he had resigned in the meantime and that was why he was not a colleague of the Solicitor General. But now that the sky is clear may I ask the Solicitor General kindly to table this paper?

Mr. DUPRE: Certainly.

Mr. REID: Coming back to the bill, I would like to ask a question.

Mr. POULIOT: Pardon me, Improbus labor omnia vincit. I shall not speak at great length but I have a word to say in regard to my hon. friend the Solicitor General. When he speaks of the people of the province of Quebec he and some of his colleagues on the other side of the house speak of them as if they were ignorant people, not familiar with current politics. The fact is that the people of the province of Quebec have never taken such interest in politics as in the last four years. They are familiar with every measure presented before this house, and the matters they discuss are exactly the matters discussed in this house. With regard to the conscription issue may I tell him that a long time ago, the first year after I was elected, I asked the then Minister of Justice, the hon. member for Quebec East (Mr. Lapointe) to give me full information about "Ti-noir Desjardins," the man who had been paid by the Department of Justice to cause a revolution in the province of Quebec by shooting at the sons of the farmers there just as he would have shot at game. It happened after the war, and I thought the House of Commons should learn what has been done by the Tories in the province of Quebec, after the war was over, after the Germans and the English and the French had ceased fighting in the field, that there were spotters, paid by the Department of Justice, shooting at the sons of farmers in the province of Quebec. And what was the answer of the then Minister of Justice? He told me, "Let the past be past, and not bring this issue up again." That was said by the hon. gentleman whom the Tories are always accusing both in the house and outside of resurrecting conscription. That is the whole story. I want to get that information, I will get it some day, even if it takes years to bring to light this thing that the Department of Justice, then the department of injustice, did to the farmers' sons of Quebec.

But we will not speak about it any more now. For my part I mention outside of the

house, only the questions I put to the government and the Prime Minister and the kind of answers I received. The witness for that is the hon. member for Dorchester (Mr. Gagnon), whom I met at the last by-election in Restigouche-Madawaska when I went to speak on behalf of my hon. friend beside me who was elected there by a majority of 6,500. All I had to do was to take several issues of Hansard and read the questions I had put to the government about many matters and the refusal of the Prime Minister to answer. The answer of the people of that county was that I should have had answer, and they confirmed that by a majority of 6,500 for my hon. friend here. We have enough to say about this government without going back to the wrongs of past Tory governments. They are to be judged according to their policies, they will have to defend them. But the statements of the Solicitor General and the hon. member for Dorchester about the people of my province were most unjust. Let them come to a joint open meeting anywhere and discuss these matters before the people of Quebec and defend their policies. I invited the Solicitor General and the hon. member for Compton (Mr. Gobeil) to come to St. Johns after they had invited us to meet them in Quebec, but when I went there I was alone with my hon. friend from St. Johns-Iberville (Mr. Rhéaume), neither the Solicitor General nor the hon. member for Compton came to face the people there.

Mr. SANDERSON: A few minutes ago I understood that the Solicitor General tabled the document which was read. Was it tabled; if not, where is it?

The CHAIRMAN (Mr. Cotnam): I understand that the paper is in the possession of the clerk of sessional papers.

Mr. MACKENZIE (Vancouver): It should be in the custody of members of the committee.

Mr. SANDERSON: It was tabled, where has it gone to?

The CHAIRMAN (Mr. Cotnam): It has gone to the clerk of sessional papers.

Mr. SANDERSON: When will it be back in the committee?

The CHAIRMAN (Mr. Cotnam): It is open for inspection and examination by any hon. member.

Mr. VENIOT: It has no right to go to the clerk of sessional papers until this committee is done with it. It should remain on that table during this discussion and until this committee rises. I protest, and demand that the paper be produced to the committee now.

Mr. POULIOT: Perhaps it is under the table.

Mr. VENIOT: I say to the members of the government and the minister having this bill in charge that unless the document is produced the bill will not pass as readily as he might expect.

Mr. RHODES: Of course my hon. friends realize that the officers of the house have no doubt followed the usual procedure.

Mr. VENIOT: It is not the rule.

Mr. RHODES: If not, it is a question that should go to the committee on privileges and elections and be very carefully scrutinized. The constitution itself is in danger; if members of the committee miss the enlightenment to be afforded by the contents of this document! My hon. friend the member for Gloucester (Mr. Veniot) whom I hold in such great esteem, was becoming choleric to such an extent that I felt prepared even to wreck the constitution to satisfy entirely his desire that all the proper procedure should be complied with. I understand the document has now been brought back and laid upon the table, and I hope it will not be spirited away. After my hon. friend has read it with that great care which I know he will bestow upon it I hope there will accrue to him an even greater measure of wisdom to add to that which he now possesses in such great abundance.

Mr. VENIOT: The Minister of Finance may be able to add to the wisdom of his humble servant, but I am sure it will not be from this document. But I insist that I am right in saying that when during a debate it is asked that a document be tabled, that document should remain on the table until the committee rises. It is then it goes to the custody of the clerk of sessional papers, but until then there is no right to take it from this committee until we dispose of it. That is the point I make, and the Minister of Finance will not deny that right and privilege. My experience in parliamentary procedure has been about as long as that of my hon. friend and I do not have to have any lessons on that from any member on the government side.

Mr. RHODES: May I assure my hon. friend that he has taken a wrong interpretation from my remarks. In my innocence I was trying to indicate that I thought perhaps the matter was not of such great moment as circumstances

would suggest, but that if it were the wishes of my hon. friend from Gloucester and all the conventions with respect to what should be done in regard to documents should be respected in every degree. May I say to my hon. friend that it was in no spirit of levity that I paid him the tribute of saying he was possessed of a very great amount of wisdom. I made that statement in all sincerity, and I am quite prepared to agree with my hon. friend that he knows very much more than I do—

Mr. VENIOT: I did not say that.

Mr. RHODES: —but I do not know that that has very much bearing on the matter under discussion. I hope that we may be able to make some progress from now on.

Mr. McPHEE: Mr. Chairman, we now have the document which we obtained after a process as hard as extracting a tooth, and we find that it is not the document it purports to be. The Solicitor General said that instead of asking us to take his word for what happened he would read from the official report of the Department of Finance the record of what has happened in the province of Quebec. I think on reference to Hansard that will be found to be exactly what he said. This may be a report, but by the subterfuge of reading a public document the Solicitor General has read his whole speech into Hansard by quoting this document verbatim. He might as well have tabled a copy of Hansard. I submit that my hon. friend, who is Solicitor General of this dominion, should have regard to the peace, order and good government of the country and should be very careful not to state what is not the fact so far as this report is concerned.

Mr. DUPRE: In reply to my hon. friend I may say that this is the document from which I read a moment ago.

Mr. STEWART (Lethbridge): Mr. Chairman, the board of review for the province of Alberta had several sittings in the city of Lethbridge before we left to come to Ottawa, and we had the opportunity of attending and listening to the proceedings. I fancy one would be struck first of all by the informal nature of the hearings. There we found an atmosphere of cooperation and conciliation. The atmosphere of the court was lacking, neither was there any feeling of opposition or antagonism. The members of the board listened very attentively and gave precedence to the representative of the farmers. This gentleman, Mr. McLeod, made it his business, wherever possible, to secure from the farmer whose case was before the board, just what amount of machinery he had at his disposal, and also tried to form an estimate of his ability to carry on his farming operations. I think the gentleman representing the creditors, Mr. McQuaig, and the representative of the farmers, Mr. McLeod, are sitting on the board of review of our province not as the representatives of one class or another but as men imbued with the one aim, which is to help the farmer get out from under his heavy load of debt and see daylight ahead.

It has been suggested by several members that we should have a lawyer to present the claims of the farmers to the board. To that suggestion I am opposed. It would bring into that informal hearing the atmosphere of a court, which is not objectionable in any way but which is not the atmosphere in which this act will work to the best advantage. It would mean also a great deal of delay, for the lawyer would endeavour to put forward the best possible case on behalf of his client, and cases which now may be settled in one hour would take at least one day. So I do not think it would be in the interests of the legislation to agree to this suggestion. There appears, however, to be a lack of cooperation between the farm loan board and those in charge of the Farmers' Creditors Arrangement Act. We find that several farmers in our neighbourhood have the opportunity of compromising with their creditors, but they are unable to secure any advances, because in our part of the country the banks are not lending money. Both these acts come under the Department of Finance, and I am almost persuaded that it might be in the interests of the farmers of western Canada if we had one head administering both acts. I might say also that in Alberta we have had several farmers who have made unjust claims. Some of these men have not been playing the game, and they have been very effectively told by the chairman of the board that their cases were rejected. It has been said by the hon. member for Vancouver-Burrard that this is not desirable legislation—

Mr. HANBURY: I do not like to interrupt the hon. gentleman, but I did not make that statement in connection with this legislation. I was referring to the farm loan bill.

Mr. STEWART (Lethbridge): I understood the hon. gentleman to say that this act was undesirable also, but I accept his correction. So far as the people of my riding are concerned, and I think I can speak for the people of southern Alberta, I believe this is most necessary legislation. When I was

speaking in connection with the farm loan bill I directed attention to four cases in my riding which had come to my attention, concerning very deserving farmers who could not possibly get out from under their load of debt. If we could secure cooperation in the administration of these two acts, whether through unification of administration or otherwise, no doubt it would be of benefit to those coming before the boards of review.

The other evening while speaking on this bill the hon. member for Willow Bunch attempted to capitalize—I think for the benefit of himself and his party—the unfortunate situation in which the farmer now finds himself because of the depression. Well, I might tell the hon. gentleman of a few instances which have come to my knowledge in the constituency which I have the honour to represent. I might also say to him that many reasons can be given because of which this unfortunate depression situation has developed, and one is the lack of policy on the part of the Liberal government from 1921 to 1930. If ever a government lost the market for our agricultural products it was the government of hon. members opposite which held office from 1921 to 1930. To the extent of at least 60,000,000 bushels of wheat per year we lost the European wheat market. Between 1921 and 1930 there was an increase of 39,000,000 acres in the acreage of wheat sown in Europe. The policy of the government supported by the hon. member for Willow Bunch was to pay no attention to the trend of agricultural development in Europe, but rather to increase the wheat acreage in Canada from 22,000,000 to 27,000,000. Consequently when this government took office there was a surplus of wheat. The wheat carry-over began in 1925 and extended to 1930. This government took hold of the wheat situation and every year since 1930 has sold more wheat than was sold by the Liberal government during the last year it was in office. The last year the government supported by the hon. member for Willow Bunch held office, it sold 157,000,000 bushels of wheat. In every year this government has held office we have sold more than that. I believe a great deal of the distressed conditions in which the farmers find themselves to-day can be laid at the door of the Liberal party.

Further, the hon. member for Willow Bunch supported the Liberal government which between 1921 and 1930 lost our markets in the United States, a market in which we sold in 1921, $190,000,000 of agricultural products, and in the year the Liberals went out of office only $93,000,000. In short, in their ten years of office we lost $100,000,000 per year of our agricultural market in the United States.

The hon. member for Macleod seems to support the idea that the farmers of Canada are in a worse position than the farmers of other countries. He told about an old cow being sold for nineteen cents. It is a wonder he does not tell some of the things he reads in the Lethbridge Herald, because I assume he reads that publication. Those articles tell another story. I wonder if he read the story about the German who had been taken prisoner by the French and who some years after the close of the war, in 1923, came to Canada. In 1934 he produced 39,000 bushels of grain, although he had come to Canada with no possessions in the world. I wonder if the hon. member has heard about the gentleman living in New Dayton, in the southern part of my constituency who sold his grain in 1933 for $4,500 without even hauling it to the station. So able was he as a farmer that this year he was fortunate in selling his half section at a large increase over the amount he had paid for it in 1929. Around the town of Warner we are selling land at a considerable increase in value, despite the fact that the farmers have been operating under these unfortunate circumstances.

I do know that many of the farmers in Alberta are satisfied with the actions of this government. To bear out this point may I quote from a publication which I believe would have the support of the hon. member for Macleod. This paper, the United Farmer, contains a report of the proceedings of the legislative assembly at Edmonton, and I find the following credited to one Donald Cameron, the U.F.A. member for Innisfail:

> Donald Cameron said he held no brief for the Bennett government, but it had at the last session put more advanced legislation on the statute books than had been put there in one session by any government since confederation.

Mr. SANDERSON: Mr. Chairman, I rise to a point of order. Is the hon. member speaking to the bill?

Mr. REID: It is a budget speech.

Mr. SANDERSON: Has he not been out of order for ten minutes?

Mr. McINTOSH: A hundred miles out of order.

Mr. STEWART (Lethbridge): I am simply meeting the points brought up by other hon. members.

Mr. SANDERSON: Mr. Chairman, I insist upon a ruling.

Mr. STEWART (Lethbridge): I shall now pay attention to the bill.

The CHAIRMAN (Mr. Cotnam): I believe the hon. member is following the custom which has been observed throughout the discussion of this bill. The hon. member for Témiscouata, sitting on the opposition benches, spoke on a variety of matters, including conscription in the province of Quebec. In fact, none of his speech was relevant to the bill before us. In view of the fact that much latitude has been given I do not believe any great objection could be taken to the remarks being made by the hon. member for Lethbridge.

Mr. SANDERSON: You rule, then, that the speech is quite in order?

The CHAIRMAN (Mr. Cotnam): In order, in comparison with the speeches which have been made on the bill.

Mr. SANDERSON: In comparison?

The CHAIRMAN (Mr. Cotnam): I do not say it is in order, but I do say there has been very wide latitude allowed during the discussion.

Mr. SANDERSON: It must be either in or out of order.

Mr. STEWART (Lethbridge): No doubt Mr. Cameron of Innisfail was referring to the action this government has taken in bringing forward farm loan legislation and the Farmers' Creditors Arrangement Act. No doubt he had in mind the policy the government has followed in the past four years through which the farmers of western Canada have received at least $200,000,000 which they would not have received if the wheat market had not been stabilized. Australia may have given a direct bonus of £40,000,000 to the farmers of that country, but I can state with authority that this government has provided a market wherein a farmer may sell his grain every day of the year. So far as they could they saw to it that the domestic price was one which would give the farmer a fair return for his labour. No wonder Mr. Cameron, the U.F.A. member in the Alberta legislature, speaking in the debate in reply to the speech from the throne made the observations which I have quoted about the Bennett government.

So far as the present legislation is concerned may I say I believe that as it affects my constituency there is something lacking. Hon. members are aware that within the Lethbridge constituency there are large irrigation districts constructed by two different organizations. One district was erected and controlled by a private corporation, and in the other the bonds were recommended and guaranteed by the provincial government. That government had to take over the operation of the district in question, and as a result of the investigation which was held about three years ago the capitalization against the acreage was reduced from $54 an acre to $26. This action has enabled some of the farmers to meet their obligations and to carry the load under which they are operating, but in the other area we find some difficulties. In 1924 the Alberta legislature passed an amendment to the Irrigation District Act whereby provision was made to extend the operation of the canals to other districts, and under that provision we had four new districts formed. There was the Taber irrigation district, the Raymond irrigation district, the Magrath irrigation district, and one other the name of which I have forgotten for the moment. In 1926 and 1927 the farmers living in those areas induced the Canadian Pacific Railway to extend their irrigation works so that they would have the benefit of irrigation, and we find the canal being extended ten miles in the Taber area and the irrigation works extended some six or seven miles in the Raymond and Magrath areas. That work was done when construction costs were very high, and what has been the result? To-day I find that in one of those districts where we have some sixty-seven farmers and 20,000 odd acres, which includes not only irrigable but dry land, the capital overhead per acre is $60. Under present circumstances no farmer, no matter how well supplied he may be with power, machinery and live stock, could possbily succeed with a capitalization that high; it simply cannot be done. In one of these districts the farmers have made up their minds that it cannot be done, and consequently they have decided that they will let the contracts run on until at last the private corporation will be forced to seek a compromise. There is no provision in this act under which the farmers living in those new irrigation districts can succeed in getting a compromise of their debts. There is no one to whom they may go, for the whole district is bonded. The private corporations took the joint notes of all the farmers, and in order that these farmers may have the right to have a compromise of their debts the same as other farmers, provision should be made in this bill whereby the farmer who belongs to an irrigation district shall have the right through the instrumentality of the

official receiver to ask that the private corporation arrive at a fair compromise in order that the farmer may see daylight ahead. I hope the minister will accept this suggestion in the spirit in which it is offered, being an endeavour to help those who are unable to help themselves at the present time and to whom the right of effecting a settlement under this act is denied.

Mr. McINTOSH: May I ask the minister how many proposals have been made under the act, province by province?

Mr. RHODES: That is the break-up of the 3,585?

Mr. McINTOSH: Yes.

Mr. RHODES: This is as of March 2, and represents only the actual proposals which are of record here: Prince Edward Island, 57; Nova Scotia, 3; New Brunswick, 8; Quebec, 1,167; Ontario, 446; Manitoba, 492; Saskatchewan, 752; Alberta, 640; British Columbia, 20.

Mr. McINTOSH: May I ask how many cases that came before the official receivers were settled, province by province?

Mr. RHODES: My hon. friend was probably not in the house when I put all these figures on the record earlier, but I am quite content to do so again. The total number of actual settlements effected between debtor and creditor before the official receivers as recorded at head office here is 1,092, although that does not by any means represent all the settlements, as I pointed out at an earlier stage; British Columbia, 3; Alberta, 228; Saskatchewan, 143; Manitoba, 112; Ontario, 288; Quebec, 316; New Brunswick, 1; Nova Scotia, 1.

Mr. McINTOSH: What about the settlements that were made before the boards of review?

Mr. RHODES: My information is that practically eighty per cent of the cases which come before the boards of review are settled amicably without resort to a decision which is not acceptable to one or other of the parties. I also gave the number of cases which have been referred. Does my hon. friend wish me to give that again?

Mr. McINTOSH: No, not if it is on the record.

Mr. RHODES: Yes, it is on the record.

Mr. McINTOSH: When the resolution was before the house, the minister will remember that I inquired from him on the orders of the day with regard to counsel for the farmers before the boards of review. I said that the loan companies and corporations would be represented by eminent counsel and I intimated that it was my own opinion that if the farmers could also be represented by counsel it would be better. The minister said that he would be quite willing to take up that matter when we were in committee on the bill, and also suggested that if it could be demonstrated that the farmers actually needed counsel before the boards of review he would not be opposed to it. That is the meaning I took from his remarks. Would the minister be good enough now to amplify his statement of a few days ago in that regard.

Mr. RHODES: I shall be very happy to do so. When representations were made to me by one or perhaps two farmers' organizations—I have particularly in mind the representations that were made to me by the Saskatchewan branch of the United Farmers—I felt it was very doubtful whether those who were speaking for the farmers were making a request which was really in the interests of the farmer. I will speak to the committee just as frankly as it appears to my own mind. I had this feeling. In the board of review you have a judge of a superior court as chairman; then you have a prominent barrister who as a matter of fact in every province, so far as I am a ware, commands the respect not only of the bar but of the public as well. So in a board of three you have two men who are trained in the law. In addition to that the registrar, with possibly one or two exceptions, is a man trained in the law. It is true that numbers of the loan companies have been represented by counsel, but this is what happens in practice, and what I rather felt at the time would happen. You find the farmer before the board of review, and you find a lawyer representing the creditor. The chairman, the creditor's representative, and also the registrar, are men trained in the law, and instinctively all of them prepared to advise and to protect the farmer. But more particularly I had this in mind, that if you have a lawyer on one side and engage a lawyer on the other you are going to revert more or less to the atmosphere of a court of law, and the spirit of this act would be lost sight of, namely, conciliation and compromise, added to the circumstance that instead of settling cases as they have been, in an hour, under existing conditions, you would have them prolonged for a day. I was struck with a remark made by an eminent member of the bar who is a member of this house in connection with this very bill on second reading, when he referred to the traditional delays of the law. If you

had a lawyer engaged for the farmer I doubt whether, on balance, as good results would be reached, because the measure would be law and not equity. But there would be the further damage to the interest of the farmer, that instead of having cases disposed of as expeditiously as possible they would be prolonged for days and weeks and months, not individual cases but hundreds of cases which are now before the boards of review. That was my feeling and I thought that experience had justified that point of view, for this reason, that the tendency has been less and less on the part of those interested, particularly in farmers' organizations, to demand counsel. As a matter of fact, no representations have been made to me in recent weeks to that end. Furthermore, as indicating the character of this body, may I point out to my hon. friend that the loan companies are finding out that they are not being advantaged to any great extent by spending large sums of money in legal fees, and the tendency on their part is less and less to engage counsel, with the result that ninety per cent of the cases which actually come before the board of review are settled as a matter of agreement between debtor and creditor. Under these circumstances I believe—and I am only expressing my own view—that we should do the farmer a disservice if we engaged counsel for him at the present time to appear before the boards of review. But when I made the reply to my hon. friend—it was the reply which I made to the United Farmers of Canada, Saskatchewan branch—I did it in good faith. If experience should indicate that it would be to the advantage of the farmers that counsel should be engaged, they would be, and I may say now that they will be. But I have every reason to believe that the feeling is now more or less prevalent, even among the farmers themselves, that they are better served and protected under this method than they would be if counsel were engaged.

Mr. McINTOSH: I want to thank the minister for his very courteous and complete reply. I am sure it is a privilege to ask questions in committee of the house when the minister is directing the work of the house. Now, the question I passed on to the minister actually grew out of a request from a municipal council, every member of which was a farmer, and the minute I got it I passed it to the minister. I thank him for the reply he has given. There was another question growing out of that. The minister will remember, I am sure, that on Monday, February 25, on the orders of the day, I inquired with regard to the liquidation of mercantile debts. I stated that the farmers are having their debts adjusted but the retailers and business men of the nation are not, under this bill, and my question was whether more adequate debt adjusting machinery would be introduced by the government. The minister on that occasion said that the question involved major policy but that he would consider it and when the bill was before the house in committe, or at some other stage, he would give an answer or make a statement.

Mr. RHODES: I think my statement on that occasion had reference to the hon. member's query with respect to counsel, because I did not—

Mr. McINTOSH: At page 1151 of Hansard the minister will find his brief answer to my question.

Mr. RHODES: I am right in my recollection, because at page 1151 I find that I gave this answer:

> That is a rather comprehensive question to be submitted without notice. It will require an answer involving major policy. The question will be considered and an announcement made as and when a decision is arrived at.

So that it was not that I was to make an announcement with respect to that question while we were considering this legislation. The answer I gave is the answer which would usually be given in those cases where the consideration of policy at the time might be in hand. Certainly, in any event, it is not an answer that would be required in connection with this bill because this bill by its very title indicates that the act is a farmers' creditors arrangement act. If it were determined that the principle applicable here should be given wider application, that would have to be by a separate act, or the title of this act would have to be changed. That is the only answer I can give on that score at the moment.

Mr. McINTOSH: Can the minister state whether or not there is a possibility of legislation in that direction?

Mr. RHODES: On reflection my hon. friend will realize that I could not answer that question. I really cannot.

Mr. McINTOSH: The reason I bring up that question is briefly this. Since the amendment to this act has been before parliament and the country I have received quite a number of communications from business men, mainly from retailers, asking whether there is any possibility of the government introducing legislation to help them; and of course, not knowing the mind of the

government, all that any hon. member can do is to try to get from some member of the government his point of view on the matter. That was why I put the question before the house. I have information to the effect that in Saskatchewan the retailers think that sixty per cent of them will go out of business if something is not done. The interest rates are seven and eight per cent. These are the rates they are being charged and they cannot collect their debts from the farmers. Consequently they are confronted with insolvency and we can understand why they are wondering whether anything will be done or not. We can easily see that their difficulty arises out of the very adjustment of the farmers' difficulties for which we have made provision under this legislation, and therefore I thought it wise to ask the minister what was his thought on the question at issue. I might go into the question of real estate to show the enormous losses which very many men are taking. It is just another angle of the financial worries of the retail trade. For instance, I have here information with regard to one man who bought a property for $125,000, and $70,000 is the amount he will lose on it. He is going to lose the property. He paid $30,000 on it and then he spent $25,000 plus $15,000 on it, so in all he will lose that $70,000. Another man bought a property on which he paid $12,000 and he spent another $15,000 on it. He will lose $27,000. Another man bought a property for $75,000. What he spent on it and put into amounts to $30,000, and that $30,000 will be gone. I might continue, but I do not want to delay the committee.

The debt difficulties in which retailers and business men find themselves must be quite plain to all hon. members. They are legion. Unless something is done for them, their present condition will lead to bankruptcy. Many of these merchants and other business men feel strongly that since the debts of the farmers are being adjusted, the government should take into consideration their dilemma in such cases as cited and others, and bring down legislation to help them. These representations having been presented to the committee, my duty is done. I understand the minister's point of view and I thank him for the answers given.

Mr. GERSHAW: May I ask the minister something about the position of the preferred creditor. That is, would the board of review have power to cut down the first mortgage?

[Mr. McIntosh.]

Mr. RHODES: The board of review would have and has power to cut down an amount due a preferred creditor.

Mr. SPENCER: A few days ago when we were discussing this bill, someone on the government side—I thought it was the Minister of Finance, but I may be wrong—stated that more than 7,000 applications had been made under this act. I took a note of the figure at the time; I thought that the act was getting under way nicely. The figure of 3,585 the minister has given us, of course, goes back only a few weeks. Has it increased to 7,000 now or is this a more recent figure?

Mr. RHODES: I am sure my hon. friend must have been out of the chamber when in reply to a question raised by the hon. member for Bow River I indicated that those figures emanated from the central office here. While the number I have given to the committee of the proposals received, aggregating 3,585, represents only the recorded number in the central office, the estimate given to me was that the actual number of proposals which have been formulated and are now in the hands of official receivers or on their way here, is upwards of 7,000. The hon. member for Bow River asked whether that was more or less a guess. I told him it was based upon experience due to the usual lag in the estimate of numbers, but I find out now from inquiry that I could have gone much further. The estimate is based upon this: a comparison between the letters coming from the official receivers indicating the number of proposals they have formulated and the actual number of proposals which are in hand and credited to the same official receivers. The discrepancy in some cases is very marked due solely to the fact that while they have reported so many proposals as having been formulated, they have not had time to do the clerical work and send their reports back to the central office, so that the figure can be safely relied upon of upwards of 7,000 proposals actually formulated and now in the central office or in the hands of the official receivers.

Mr. SPENCER: What is the exact date of the figures?

Mr. RHODES: The figures are as of March 2.

Mr. SANDERSON: What will be the cost of administration of this act?

Mr. RHODES: The salary cost last month was $27,000.

Mr. SANDERSON: What would be an average amount month by month?

Mr. RHODES: That would be a fair estimate of the month by month cost of administering the act for salaries.

Mr. SANDERSON: That would be about $300,000 a year?

Mr. RHODES: It will be at least that.

Mr. SANDERSON: What remuneration do the official receivers get? How are they paid?

Mr. RHODES: They receive $150 a month.

Mr. SANDERSON: Is that a straight salary going on yearly?

Mr. RHODES: No, they are appointed and paid only by the month. Their appointments are not yearly; they can be determined at any time.

Mr. McINTOSH: When did the board of review officially get under way in Saskatchewan? What is the exact date?

Mr. RHODES: I am told that the first meeting was on December 22 of last year.

Mr. GARLAND (Bow River): May I ask the minister what salaries are paid to members of the board of review?

Mr. RHODES: The chairman is not paid any salary; he is paid expenses. The other two members receive $25 per sitting day.

Mr. GARLAND (Bow River): All I can say is that in my opinion both the official receivers, whose position is an extremely important one, and the members of the board of review are certainly not overpaid. I hope the government can secure properly qualified men at that rate of pay.

There is just another point I want to raise. The statement made by the hon. member for Lethbridge impressed me as raising a matter of considerable importance. I know something of the situation in that locality and I am wondering whether the minister can give any assurance to the committee that it would be possible under this act to take care of collective obligations such as have been incurred by individual settlers on uncleared land in the Lethbridge northern district. Many of them are undoubtedly heavily encumbered and if they are not permitted to take collective action, then their position is such as will not enable them to come under the operation of this act. Is there any way in which the procedure could be changed so as to facilitate collective action of that kind? I am sorry the hon. member for Lethbridge has left his seat; I listened with interest to what he had to say. I noted a quotation he gave from an alleged statement by Mr. Cameron in the local house and I think he gave it as of some date in February of this year, stating that it appeared in the United Farmer. I have not had time to go carefully over every column, so perhaps I should not arrive at any conclusion, but I have glanced through the various copies for the month of February and I do not find the statement. I wonder whether the hon. member referred to 1934 or 1935. It surely must be 1935. Perhaps we could get that information. Could we have a reply in regard to the Lethbridge northern district question?

Mr. RHODES: The case referred to by the hon. member for Bow River as well as by the hon. member for Lethbridge presents some difficulties, but I may say to my hon. friend that for some little time now a conference has been going on between the official receivers in that area and representatives of the irrigation companies in the hope that something may be worked out, and if so, representations will be made to the Alberta government enabling, if not all, at least a portion of those cases to be taken care of. My hon. friend will be the first to realize that this is a difficult matter to deal with. If it is possible to deal with it, we shall do so.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Stanley in the chair.

Mr. GARLAND (Bow River): May I ask the Minister of Finance whether representations have been made by the government of Alberta that provincial lands subject to agreement of sale, should be permitted to come under the operations of the Farmers' Creditors Arrangement Act?

Mr. RHODES: As far as I am aware there has been no communication from the province of Alberta on that subject.

Mr. GARLAND (Bow River): I may not have put my question correctly, or the minister may have misunderstood me. On the front page of the United Farmer of February 15 last I find a report of a session of the legislature of Alberta in which the following appears:

Replying to charges made by D. M. Duggan, Conservative leader, that the government (of Alberta) had never, so far as official records at Ottawa show, made any attempt to persuade the federal government to include the farmers

who hold land from the Department of Lands and Mines, under the Farmers' Creditors Arrangement Act, premier Reid stated before the house adjourned on Tuesday that on three separate occasions the government had taken steps to make such representations to the federal government.

Has the minister any record of that?

Mr. RHODES: I have no knowledge of any communication coming from the government of Alberta. It may be that they have communicated with the Prime Minister; as to that I cannot be sure, but I shall make inquiry and before the bill passes the house I will give a specific answer to my hon. friend. Of course my hon. friend will appreciate that there is nothing in the Farmers' Creditors Arrangement Act to prevent a board of review from making a finding with respect to these lands.

Mr. GARLAND (Bow River): I thank the minister for his statement. I asked in order to clear up the charges made by Mr. Duggan in the provincial house. I notice that the despatch says also:

At the dominion provincial conference in January, 1933, ... the then premier had taken the matter up and he had again urged it and taken steps to present the matter before Ottawa at the provincial conference later, when the Hon. M. A. McPherson, attorney general of Saskatchewan at the time, was appointed to go to Ottawa and take the matter up with the government on behalf of all three prairie provinces.

However, I rest the matter there until the minister has an opportunity to look into it.

Mr. COOTE: Could the minister tell the committee whether any communications have been had with the provincial governments in western Canada in regard to including the arrears on school lands in the class of debts which may be dealt with by the board of review? Many farmers in western Canada purchased school lands under agreement of sale from the Department of the Interior at Ottawa, while these lands were under administration by the dominion. I have been informed that the board of review have no power to deal with arrears owing to the government under school lands agreements, and the attitude of the provincial government I think is that they cannot do anything about the matter without legislation at Ottawa. I wondered whether the matter had been discussed at any conference between the western governments and the dominion.

Mr. RHODES: I think the question of school lands may have been discussed. The Department of Justice is at present dealing with the question whether it would be competent for the provinces to pass legislation to consent to a reduction in the amounts due on school lands. I will have a more succinct answer before the bill leaves this house, but may I point out, notwithstanding that, that it still is competent for the board of review to make findings in reference to and dealing with school lands, as with respect to all other crown lands. As I understand it is only that one point that is being dealt with, whether it is competent for the provinces to consent to a reduction as far as school lands are concerned.

Mr. COOTE: I understood from a member of one of the western boards of review that they understand they have no power to deal with arrears owing on school lands. In discussing that with some of the ministers of western provinces they seemed to think it would be necessary for the dominion government to pass certain legislation, because under the agreement by which the natural resources were turned over to the western provinces they were bound to carry out certain trusts and felt that as long as they were bound by that legislation it would be necessary for the dominion government to pass amending legislation to give them power to allow any compromise to be made.

Mr. RHODES: That may be so as far as the point concerning the competency of the provinces is concerned, but it has no bearing on the general statement that the crown is bound by a decision of the board of review, and that its findings would cover school lands as well as others.

Mr. REID: Would the same statement apply to dyked lands? I know in British Columbia those who went before the official referee in an endeavour to get a compromise felt there was a difficulty there. There will probably be in the neighbourhood of from $400 to $600 dyking taxes as part of the settler's debts. It was thought that the dyking commission had no right to reduce the taxes, and if they were reduced on one it might affect all the other taxes owing.

Mr. RHODES: As far as I am aware no limitation is imposed upon the authority of the board of review to make findings affecting lands, whether of the crown or of companies or private individuals. That holds whether the lands are held by the crown in the right of the province, or in the right of the dominion; and I think without question it includes the lands mentioned by the hon. member for New Westminster.

Mr. COOTE: There has been considerable difference of opinion in western Canada as to whether the board of review has power to cancel taxes. In some cases the taxes in question have been assigned by a municipality to a bank, and while I do not know as to the correctness of this I am told the banks have challenged the right of the board of review to cancel any taxes that have been assigned to them. I wondered whether the minister is in a position to express an opinion on that point.

Mr. RHODES: Our view is that the board of review has full right to deal with the question of arrears of taxes.

Section agreed to.

On section 2—Stay of proceedings.

Mr. COOTE: I think the minister was going to say something on this section in regard to the reason for the change from sixty to ninety days. I think he was also going to give the committee some idea as to whether ninety days is sufficient for a stay of proceedings in the case of a man making a proposal. It seems to me there have been cases already where the proposals were made for more than ninety days, in which decisions have not yet been given by the board of review. If that is so is ninety days long enough for a stay of proceedings?

Mr. RHODES: As the committee is aware the old provision fixed the stay at sixty days, and by experience that time was found to be too short. As a matter of fact in many cases, owing to the congestion of work, it will be found that ninety days is not sufficient time, but my hon. friend will bear in mind that it is competent for the court to renew the stay for a further period. On the one hand we have to consider the question of protecting the rights of the debtor in the matter of the stay of proceedings and on the other hand we must consider the right of the creditor not to be prejudiced by what has happened in some cases in which the proceedings, if not frivolous in character, at all events were not bona fide proposals which could be entertained. In one instance the court voided a stay of proceedings. In a genuine case, however, if ninety days does not prove to be a sufficiently long period there is nothing to prevent the court from extending the period for a further time, the situation being that a genuine case would not be prejudiced by reason of that circumstance.

Mr. COOTE: Would the minister say what the procedure would be? It seems to me there might easily be a conflict of opinion between the court and the board of review.

Mr. RHODES: The practice is for the official receiver to make the application.

Mr. BEAUBIEN: There would be no expense to the farmer in regard to the application for an extension of the stay?

Mr. RHODES: No expense to the farmer.

Mr. SPEAKMAN: At what point in the proceedings does a debtor making a proposal come within the provisions of the bankruptcy law and void his protection under any provincial legislation? As I understand it the bankruptcy law itself applies only after the proposal has been confirmed and filed with the court. Up to that time, and even after the proposal has been made but while it is still under consideration, any provincial legislation still would be available to the debtor, would it not? In Alberta they have legislation which prevents court proceedings unless and until the creditor has received power from the board to proceed in the courts. I assume that legislation still would be available up to the time the proposal was accepted and confirmed, so that the man making the proposal would not have voided his protection under the provincial law until his proposal under this act was confirmed and filed in the courts.

Mr. RHODES: The creditor would have to—

Mr. SPEAKMAN: Quite apart from any periods stated in this act.

Mr. RHODES: My hon. friend is dealing more particularly with the question of bankruptcy?

Mr. SPEAKMAN: I was dealing with this question. Until the proposal has been accepted and filed in the courts the applicant, the man making the proposal, does not come specifically under this law, or does he? He has not voided the protection he already has under the provincial law until the proposal has been confirmed by the court?

Mr. RHODES: As I understand it, the moment a proposal is filed with an official receiver under the act, from that moment the stay of proceedings becomes effective.

Mr. SPEAKMAN: Yes, but I was referring to the other point, that apart from anything in this act providing for a stay of proceedings in some provinces the debtors

are now under the protection of provincial legislation under which proceedings can take place only by permission of certain courts or tribunals. As I understand it the protection of that provincial legislation is not voided by the debtor until the proposal has been agreed to, confirmed and filed in the courts as a completed proposal. Is that a fact?

Mr. RHODES: If the board of review should decline to formulate a proposal, to sanction a proposal or to make a proposal of their own, in that event it is competent for the debtor to apply to the provincial debt adjustment board. But if the board of review takes action then, as I understand it, it is not necessary to invoke the provincial statute.

Mr. SPEAKMAN: In my province, for example, the creditor himself must make application to the provincial debt adjustment officials for the right to proceed in court. In other words all farm debtors are protected against proceedings except under special permission granted to the creditors. My question was whether this provincial protection remained until such time as the proposal was not only made but was accepted and filed in the courts.

Mr. RHODES: I may not entirely apprehend the position taken by my hon. friend from Red Deer, but as I understand it if a proposal has been filed before an official receiver; if there is not a settlement made and the matter goes before the board of review, then until the board has taken action the matter under the Farmers' Creditors Arrangement Act is one for the board of review to deal with. Provincial legislation cannot intervene, and the debtor will come under the operations of the provincial debt adjustment board only after such time as the board of review refuses to bring down a finding approving of the proposal or submitting a proposal of its own.

Mr. SPEAKMAN: Then there is a really an interim. Until the debtor makes a proposal and files it with the district official he is of course, as at present, in those provinces where there is provincial legislation, under such provincial legislation up to that point.

Mr. RHODES: Yes.

Mr. SPEAKMAN: Then after the proposal has been filed he is protected, except in breach of the provisions of the proposal then filed under certain conditions, that is, if the breach has been due to something within his own control—

Mr. RHODES: That is right.

[Mr. Speakman.]

Mr. SPEAKMAN: But after the proposal has been filed with the official receiver and prior to the time it is confirmed and filed with the courts, when it is binding, that is the interim of which I was speaking. During that interim, as I understand it, he is not under the protection of the provincial legislation but is protected solely by the stay of proceedings which was sixty days and now is to be ninety days. Is that the position?

Mr. RHODES: The provincial law would remain in abeyance from the time the proposal was filed. Of course, in the event of the ninety days herein provided expiring, and no new period arising, then he would come under the operation of the provincial debt adjustment act.

Mr. SPEAKMAN: That was my point, namely that in provinces where there is provincial protection a man is not protected either under the provision for sixty days or ninety days on the one hand or by the provincial legislation on the other until such time as the proposal has not only been filed but finally confirmed and filed in the courts.

Mr. RHODES: Yes.

Mr. GARLAND (Bow River): Yes, but as the minister is aware one cannot compel a farmer to go through bankruptcy. However, if he takes protection under this act, if the board of review as the ultimate court under the act decides that a certain compromise is just to all parties concerned, and if the farmer does not consider that it is just or that he can comply with its terms and refuses so to comply, he may then under this legislation be put through bankruptcy. In that way he loses the protection of the present bankruptcy law and the debt adjustment acts of the respective provinces. It would be well to have that point clear.

Mr. STEWART (Edmonton): I have a good deal of interest in this point. Rightly or wrongly I have gained the impression that once a farmer places himself under the control of the board he is there for weal or woe. He either ends in bankruptcy or has an adjustment. If I am not correct in my understanding I should like to be given the proper information, but that was the impression I gained from the information given the committee last year when the bill was presented to the house. In one sense the legislation afforded a cheap way for the farmer to go through a bankruptcy court, an opportunity which had not been afforded him until the bill was introduced. It was intimated that at little or no cost to himself he could become a

bankrupt and avoid the difficult situation of having his creditors pursue him all his life. If I am wrong about it I should like to have my impression corrected. If a farmer can refuse to accept an adjustment made by the board, then it is news to me.

Mr. RHODES: The impression held by the hon. member for West Edmonton is quite correct up to this point, that if the farmer fails to live up to the terms of the finding, then he does go into bankruptcy. That is quite true.

Mr. GARLAND (Bow River): Irrespective of whether he accepted it or not?

Mr. RHODES: Yes, quite so. The finding of the board must be binding upon both parties. The provision in this respect is to be found at subsection 3 of section 3 of the original act passed last year:

In any case where the affairs of a farmer have been arranged by a proposal approved by the court or confirmed by the board as hereinafter provided, part I of the Bankruptcy Act shall notwithstanding section 7 thereof thereafter apply to such farmer but only failure on the part of such farmer to carry out any of the terms of the proposal shall be deemed to be an act of bankruptcy.

Mr. GARLAND (Bow River): Yes.

Mr. RHODES: It continues:

Provided that such failure shall not be deemed an act of bankruptcy if, in the opinion of the court, such act was due to causes beyond the control of such farmer.

Mr. GARLAND (Bow River): But we have to go back a stage farther than that to find out just how the matter works out. We will suppose Tom Jones goes to a receiver at Calgary and makes a written proposal offering to compromise on his obligations. In such event the secured and probably the unsecured creditors would be consulted. They may disagree with the proposal offered by the farmer and say that they will not accept it. Thereupon the farmer may say, "well, that is my rock bottom proposition; I cannot do any better than that because it represents the limit of my capacity to pay, and I certainly will not enter into any other agreement." Under this act, once a farmer has made a written proposal any secured creditor may pursue the matter through to the board of review and secure a finding by that board which would have the effect of forcing the farmer into bankruptcy, in the event of his not accepting the finding. Let us have the matter clear.

Mr. STEWART (Edmonton): That is my understanding of it.

Mr. RHODES: The hon. member is quite right; he stated the situation accurately.

Mr. COOTE: The difficulty is that there may be so many cases waiting for a hearing by a board of review that a case to be heard by it may have to wait ninety days before a decision could be rendered. If the official receiver neglected to ask the court for a stay of proceedings, although a man had done everything he could legally do to have his case heard, and although it may be held up only because of a long list of cases awaiting the action of the board of review, he would be helpless to protect himself against any creditor who might desire to take action against him. I mean by that that he is left in the hands of the receiver, absolutely. I was told by one of the members of the board of review in Alberta that on some days they can hear only three cases, although they put in long hours. Some cases have required that much consideration, if the board wished to be fair to both debtor and creditor. No good purpose would be served in going ahead with this legislation unless the board of review had plenty of time to see that decisions were carefully made. If they are going to give the same consideration to these cases that an ordinary court would give, in many instances they will not be in a position to deal with more than three or four in a day. This afternoon I asked the minister if he could tell how many cases were awainting the decisions of the board of review, and I dare say he may not be in a position to give accurate information on that point. It does seem to me however that according to the figures he gave this afternoon there must be a good many cases in Alberta and Saskatchewan. I doubt whether in some of the western provinces the board of review would be able to hear in less than ninety days some of the cases which have lately come before them. Therefore I raise the point whether or not ninety days is a long enough period for a stay of proceedings.

Mr. RHODES: On March 1, 276 cases had been referred to the board of review in Alberta, and on that date 102 had been heard. While in the earlier stages it is true that only three cases could be heard by the board of review in one day, they have more recently been able to speed up their work. That has been brought about through the experience they have gained and because they are sitting longer hours. They have heard as many as ten cases in a day, so that the hon. member will readily appreciate that the arrearages could very easily be overtaken in a period of time shorter than three months. He speaks about the possible negligence of a registrar in arranging for an

extension of a stay of proceedings. I think we must assume that the registrar will not be negligent in his duties. While in some cases renewals may be necessary, on the other hand I have had a great many objections from creditors who say they believe the period of three months for a stay of proceedings is too long. On balance therefore, I am inclined to think we have perhaps gone as far as we should, bearing in mind always that the bona fide debtor will not be prejudiced by reason of the fact that this period can be renewed. On the other hand we must be fair to the creditors and not put them to the unnecessary expense of having to go to court where proceedings are taken under this act only for the purpose of delaying the creditor in the application of his remedy where the proposals are such as could not ultimately be entertained by the board. It seems to me that on balance, three months is a reasonable period.

Mr. SPEAKMAN: That was my reason for asking the question. Where a proposal is made and the ninety days expires before further action is taken, and for some reason the application for extension of time is not properly registered and has lapsed, at the expiration of that time would the provincial legislation have full force and afford such protection as would have been afforded had the proposal been before the board? I think it should. The man in such a case is not under the protection of the federal law, and I should imagine he ought to remain under the protection of the provincial law until such time as the full process has been completed.

Mr. RHODES: My hon. friend is quite correct. But even assuming he did not have the right to resort for his protection to the provincial debt adjustment act, in the case instanced by my hon. friend from Macleod it would still be quite competent for him to go before the court and ask for a stay of proceedings, notwithstanding the fact that the steps to do so had not been taken prior to the expiry of the three months period.

Mr. COOTE: It does seem to me that only in a very few cases would a decision be given by the board of review within ninety days after the farmer had made his proposal. It takes some time after the proposal is first made for the official receiver to notify the creditors and get them to a meeting and get the debtor there, and sometimes they adjourn for a second meeting. The board of review have so many cases on their waiting list that I doubt whether many of them are disposed of within ninety days. If the minister assures us that there is protection through the official receiver applying to the court for an extension, or through provincial legislation, I certainly do not want to labour the point. But I do submit that not many cases passed on by the board of review will be wound up within ninety days of the first proposal.

Mr. RHODES: My hon. friend need have no anxiety, certainly so far as Alberta is concerned, because we will assume that the three months has elapsed and that no proceeding has been taken. The creditor before he can sue has to go before the provincial debt adjustment board for a permit before he can proceed at all.

Mr. SPEAKMAN: That was my question. Must he? And I understood the minister to say he must.

Mr. RHODES: Furthermore they have a list of all the proposals filed before the official receivers under the Farmers' Creditors Arrangement Act.

Mr. GARLAND (Bow River): I do not understand that last statement of the minister. Do I understand that in the event of a decision from the board of review pending and not yet delivered, and the ninety days granted for stay of proceedings having elapsed, the operation of the provincial debt adjustment board will act on behalf of that man? I do not think so.

Mr. RHODES: If the ninety days period has expired, then before the creditor can sue in the province of Alberta he must go before the provincial debt adjustment board to get leave to bring action, notwithstanding the fact that there may be a proceeding then pending before the board of review under the Farmers' Creditors Arrangement Act.

Mr. IRVINE: But would he not be under the federal act the day after the ninety days had expired? Would not that be the time the federal act would come into force so far as his creditors were concerned?

Mr. RHODES: Yes, so far as his application is concerned, but not so far as a stay of proceedings is concerned, and that is the point we are discussing at the moment. The stay of proceedings operates for only ninety days

Mr. GARLAND (Bow River): My understanding is that the moment the farmer places himself under the operation of this act he at once ceases to be a ward—shall we call it?—under the debt adjustment board of the province, or has exhausted his right to be a ward until the procedure under this act has been pursued to its ultimate conclusion.

Mr. SPEAKMAN: That was not my understanding as I followed the legislation in this house and in the province. My understanding was that part I of the Bankruptcy Act came into force in the case of an individual farmer only after the proposal had been confirmed and filed with the courts. Up to that time he could commit no breach of conditions until the proposal had been filed with the court. Until the proposal had been filed with the court and the operation was complete he would still be exempt under part I of the Bankruptcy Act and therefore would be subject to the court procedure of the province in respect to proceedings by creditors. That was my understanding, and I am glad that in large measure it has been confirmed by the minister.

Mr. DAVIES: Mr. Chairman, as one who in the course of the practice of his profession has had considerable experience with this act in Alberta, may I take this opportunity to confirm the views expressed by the Minister of Finance? He has put it correctly. When the ninety days stay of proceedings under the Farmers' Creditors Arrangement Act has lapsed, the debt adjustment board in Alberta still has to issue a permit for proceedings under the provincial act. To my knowledge the representatives of the Farmers' Creditors Arrangement Act in Alberta are closely cooperating with the debt adjustment board officials of the province. I know personally of instances where the space of time having elapsed the debt adjustment board officials first got in touch with the official receiver's office, and upon learning that proceedings had not yet been concluded or that a stay of proceedings had not been extended, refused a permit to issue for proceedings against the debtor.

Mr. BOURASSA: Before this clause carries I should like to say a few words as I did not have the opportunity to speak on the previous clause.

I wish to shed a different light on this measure as well as on the act which is amended by it. I have just found in my letter box a letter from a good farmer in the province of Ontario, in the part adjoining Quebec, who happens to be the creditor of another farmer. He protests strongly against the enlargement of this legislation. As he points out, he has saved a little money by living a frugal life year after year, and he lent a few dollars to some of his neighbours. One of them has spent his money in luxury. He is the proprietor of two automobiles; he has a piano in his house. He refuses to pay his debt, and now he is putting himself under the protection of this legislation. As my correspondent says, "I have three boys whom I have to keep, while that man who is spending his money foolishly has only one boy. If he secures accommodation under this law he will be able to get along with his boy but I will be ruined and my three boys will be on the dole list. Why? Because I have saved for twenty years and because I have raised my family with economy and honesty."

I draw the attention of the house to the trend of all this legislation. I do not know the conditions in the western provinces. I presume that a large number of farmers there are indebted to lending companies. But with us in Quebec and in the part of Ontario adjoining Quebec, a very large number of creditors who will be ruined by this law are farmers, small retired farmers living in villages, who have put by a few hundred or a few thousand dollars—a few thousand, very rarely —which they have lent to their fellow citizens living in the same parish, in the same village, relying upon the old traditions of honesty. I well remember the time when money was lent not only without mortgage but without note; money was lent from hand to hand and was always paid back, because the law of honesty was there, much stronger and more effective than any law that can be passed here or in any legislature. What is happening with this law?—and the tendency is increasing. The honest farmer who finds himself in difficult circumstances can hardly obtain credit. Money lenders, whether private citizens or lending companies, tell him that they have no more confidence in the farming community. They say, "If we lend you our money what will happen next year or two years hence? You will go bankrupt. We therefore refuse to give you credit." On the other hand the dishonest farmer takes advantage of this situation. I am afraid that at the rate we are going, making this tendency so much easier, we are fostering dishonesty among the farmers. We are ruining the credit of honest farmers; and at the same time we bring ruin to a large number of individuals, and a very useful class in our community, people who have worked steadily for twenty or thirty years, educated their families in the old traditions of thrift and honesty, and who have helped in their little sphere of action some of their neighbours, some of their fellow farmers, by lending them money. We are ruining one class financially and the other morally.

I do not want to add any more at this time. I suppose my protest is perfectly useless, as it was against another piece of legisla-

tion; because on the eve of an election the temptation, I am afraid, is to look for votes, and to look for votes especially among those people who give their votes according to their interest or their dishonesty. But I protest in the name of the old class of honest, thrifty farmers in my province. I admit that a good deal of extravagance has been going on in the last ten or twenty years, even in Quebec; yet Quebec has preserved more of the old domestic virtues of thrift, honesty, and sparing for old age; and now we are helping to destroy that spirit, we are helping to ruin a class of people who are preserving that spirit. I believe it is wrong economically and socially and for my humble part, although my voice may remain unsupported, I protest against this kind of legislation and against enlarging it all the time, making it easier for the dishonest debtor to cheat his honest creditor.

Mr. RHODES: With the general tenor of what my hon. friend from Labelle has said I find no quarrel, but let me point out to him that he has proceeded to draw a general deduction from one isolated specific case.

Mr. BOURASSA: Not isolated.

Mr. RHODES: It is a truism that no law nor any lack of law will make an honest man out of a dishonest man.

Mr. BOURASSA: I admit that.

Mr. RHODES: This law is designed to take care of the honest farmer who is in difficulties. Now, in the instance referred to by my hon. friend, it will be time enough for the farmer of whom he speaks and with whom I have every sympathy—it is a worthy case—to cry after he is hurt, to use an old and homely phrase. I venture to believe that farmer has not had a hearing or a decision handed down by the board of reviews. If the circumstances are as related by my hon. friend, and I have no reason to question that they are properly related, I venture to say that if a proposal is formulated by the creditor and he eventually goes before the board of review, the good sense of the board of review will refuse to penalize that creditor for the benefit of the thriftless debtor of whom the hon. gentleman has spoken. His case would be strong enough if he would come into this house and say that the man had been injured because of a finding of the board of review. No doubt there have been instances, I know of instances, where dishonest farmers have attempted to defraud their creditors by using the machinery of this act which was intended to be applied only to the honest, needy, deserving farmer who could benefit by its provisions. But notwithstanding that fact we have to look at the picture in the large and see what the act is designed to do, and my hon. friend will be the first to admit that it is designed to deal with a class of farmers of whom I have spoken; and when my hon. friend speaks of our amendments enlarging the act, it does so to the extent of extending the stay of proceedings to ninety as against sixty days. It is a difference in degree and not in kind. So far as I am concerned, my hon. friend must remember that I have been resisting the appeals of my hon. friend from Macleod to have the period extended. I told him I thought we had gone as far as we could in limiting it to ninety days. However, let me say this to my hon. friend from Labelle. If in the operation of this act he should find that it does become subject to abuse in practice in keeping with the fears expressed by the farmer of whom he has spoken, it will be his duty to bring the matter to public attention with a view to having a remedy provided.

Mr. BOURASSA: I thank the minister for his explanation, which I will bring to the attention of my correspondent. I hope it will be effective all through. My hon. friend said that we cannot by law make dishonest people honest. That I quite admit. But we can by law induce honest people to become dishonest, and I am afraid we have done it in many respects. I could point to what has been done in connection with many of our so called social laws adopted since the war. There is no doubt about it in connection with many circumstances arising out of the war, with regard to the adjustment of soldier's claims, the enlargement of the soldiers' pensions legislation and the reversal of the most elementary principle of law in regard to evidence, when we have allowed soldiers to make claims on account of illness which, occurring fifteen years after the war, they attribute to the war itself, forcing the government to prove that it did not originate in the war. I remember, in the previous parliament, giving an instance of horrible frauds committed in that way by some returned soldiers. My remarks are general and go beyond the scope of that clause, as I explained, because I was not here when the first clause was discussed. But I thank the minister again for his explanation and I hope the press at least of Quebec will make it quite clear that in such cases as this the attention of the board of review should be directed to the necessity of protecting the honest people,

whether they are creditors or debtors, and not helping the dishonest at the expense of the honest.

Mr. GARLAND (Bow River): I would like to get back for a moment to the question of the relationship of the debt adjustment board of the province to the creditor coming under this act. As I followed the statements of the Minister of Finance and the hon. member for Athabaska regarding a farmer whose case is being reviewed, and indeed upon whose case a decision is pending but has not yet been filed with the court, and where the ninety days' stay of proceedings has elapsed, I am now informed by both these hon. gentlemen that the debt adjustment board of the province would necessitate the creditor going to that board to apply for an order to take court action. Does that imply that the debt adjustment board under the debt adjustment act of the province would then have power irrespective of the decision of the court to prevent the operation of this act in the case of that man? Or if such power does exist at all, is it not simply the fact that the creditor would be taking temporary advantage of some anomaly in the relationship between the two acts; that his action at that time could be merely a perfunctory one and not at all binding; that this law must be binding to its conclusion upon the creditor who goes under it and that the debt adjustment act of the province cannot apply to such a man once he has gone under the operation of the act? Is that correct?

Mr. RHODES: I have only this to add to my original statement in answer to the hon. member for Bow River: Once this act is invoked it continues in operation to its ultimate conclusion when a finding is brought down by the board of review. But let us assume that prior to the finding of the board of review the ninety days' period has elapsed and the stay of proceedings has therefore ceased in favour of the debtor; in that event, if there is no move on the part of the registrar of the board of review on behalf of the debtor to have the stay of proceedings renewed, it would be competent for the creditor to go before the debt adjustment board of Alberta and apply for leave to bring action. But in practice what would happen would be this, that if for no other reason, that would serve to notify the officials under this act that such a proceeding had been taken, and I have no doubt the result would be that the registrar would apply to the court for a renewal of stay of proceedings and would be granted it. I hope that answers my hon. friend's question.

Mr. GARLAND (Bow River): Almost. There is just one point. Is it correct to say that the provincial debt adjustment act could not override the operation of this act once a farmer had placed himself under it?

Mr. RHODES: Quite so. This act takes precedence and overrides entirely the provincial debt adjustment act up to the end of the period excepting only in the instance that I cited.

Mr. SPEAKMAN: In that case the federal act for the time being is in suspense.

Mr. RHODES: Only so far as the stay of proceedings is concerned.

Mr. SPEAKMAN: That is what I mean.

Section agreed to.

Section 3 agreed to.

On section 4—Board may confirm proposal.

Mr. BUTCHER: With regard to the proposed amendment in section 4, I would like to suggest this to the minister: Would it not be necessary or advisable to make the same change in section 2, subsection 3, and sections 8 and 10 of the original act? The words are "approved by" in each case. Section 2, subsection 3 reads:

> In any case where the affairs of a farmer have been arranged by a proposal approved by the court or confirmed by the board as hereinafter provided—

And so forth. Section 10 reads:

> Whenever a proposal has been approved by the court.

Is it not necessary to change the words "approved by" to "filed in" in those sections also?

Mr. RHODES: Would my hon. friend state that point again? I have not got the full force of it.

Mr. BUTCHER: By the proposed amendment in section 4 of the present bill, the words "filed in" are to be substituted for the words "approved by" in subsection 6 of section 12 of the original act. But in section 2, subsection 3 of the original act, the opening words are:

> In any case where the affairs of a farmer have been arranged by a proposal approved by the court or confirmed by the board as hereinafter provided, part I of the Bankruptcy Act shall notwithstanding section 7 thereof apply to such farmer—

And so on. Should not the words "approved by" in that subsection also be changed to read "filed in"?

Mr. RHODES: I think I have my hon. friend's point. Subsection 3 of section 2 is quite right in its wording in calling for the proposal to be approved by the court. But the section which we are amending has reference to the decision of the board of review, which is a different matter, and in using the words "filed in" we want to make it clear that there is no question of appeal; that the action of the board is final and that the board's decision once it is filed in the court is final.

Mr. BUTCHER: Then with reference to section 10 I would suggest that the minister take the matter into consideration because it seems to me that the words "filed in" should be substituted for the words "approved by" in each case, that is to say in subsection 3 of section 2 and sections 10 and 8 of the original act.

Mr. RHODES: If we had the words "approved by" inserted in clause 4 of the bill, we would open the door for a county court judge to sit in appeal on the decision of a board of review which is presided over by a supreme court judge. That would be an anomaly of itself. But we wish to make it clear that there is no question of appeal from the decision of the board of review. That is final; the matter is closed by filing the decision in the office of the clerk of the county court.

Mr. BUTCHER: But that is exactly what I think will happen under subsection 3 of section 2. I think the words "filed in" should be substituted for the words "approved by" in section 2, subsection 3, of the original act. Perhaps the minister will consider that at his leisure.

Mr. RHODES: I would not for one moment attempt to pit my knowledge of the law, which is meagre, against that of my hon. friend, because as I stated in the house the other day, I have not practised law for twenty-five years and have almost forgoten that at one time I was titularly at least a lawyer. But I have had the Department of Justice go over this bill very carefully. It was intended that the settlements of the official receiver should be approved by the county court, but it was not intended that a decision of the board of review should be subject to approval of the county court. The mere filing of the decision in the office of the clerk of the court was a finality to the proceeding. The two cases are entirely distinct.

Section agreed to.

Section 5 agreed to.

[Mr. Butcher.]

Mr. COOTE: Before the bill is reported let me say that I have repeatedly urged upon the house the necessity for providing some general act to limit the rate of interest on farm mortgages. I think hon. members will recall that when this act was being passed a year ago I with many other members urged very strongly on the Prime Minister that it was necessary to give to all farmers some protection in regard to interest rates. This legislation I am sure will not benefit more than ten per cent of the farmers. In other words at least ninety per cent will not take advantage of the Farmers' Creditors Arrangement Act. Many farmers are still paying interest at the rate of eight and even nine per cent per annum. I still feel very strongly that we should include in this act some provision for reducing rates of interest on all farm mortgages. What I am anxious to do is to prevent a great many farmers who are included in the ninety per cent of which I spoke from being forced into a state of bankruptcy through the payment of too high interest rates. Almost every agricultural country in the world except Canada has passed legislation of this nature, reducing rates of interest on farm debts. Canada should not lag behind in this respect. Anyone who has collected interest at the rate of eight or nine per cent during the last five years has had in almost every case purchasing power greatly in excess of the purchasing power of money at the time the loan was made, so that a reduction in the rate of interest during these latter years would not have been a reduction in the purchasing power of these people.

For the purpose of bringing this matter before the committee I wish to move an amendment to the bill. Before doing so I would draw attention to section 17 of the present act which reads:

> Notwithstanding the provisions of any other statute or law, whenever any rate of interest exceeding seven per centum is stipulated for in any mortgage of farm real estate, if any person liable to pay the mortgage tenders or pays to the person entitled to receive the money, the amount owing on such mortgage and interest to the time of payment, together with three months' further interest in lieu of notice, no interest shall after the expiry of three months' period aforesaid, be chargeable, payable or recoverable in respect of the said mortgage at any rate in excess of five per centum per annum.

The purpose of that, I think, is clear; that if any mortgagor can get the money and

tender it in payment to the mortgagee, the mortgagee must accept payment of his principal, or thereafter be content with interest at five per cent per annum. It seems to me that there was very good reason for placing the rate at five per cent per annum; the government felt that five per cent was a fair rate under the circumstances. Of course few farmers have been able to secure the full amount of their mortgage to tender payment of the principal sum so as to get the rate of interest reduced to five per cent. I do not think we should be working much hardship on any person; on the other hand it would be in the interest of the great majority, and we should be following much the same line as has been followed in almost every other country in dealing with farm debts, if we passed legislation effecting a reduction in the rate of interest on farm mortgages. In order to bring the matter properly before the committee I move:

That Bill No. 10, an act to amend The Farmers' Creditors Arrangement Act, 1934, be amended by adding the following section thereto:—

6. Section seventeen of the said act is amended by adding the following subsections thereto:—

(3) No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate, or agreement covering the sale of farm real estate.

And because I believe that this should be retroactive and should cover the past four years of very low prices I have added another subsection:

(4) Where interest at a rate in excess of five per centum per annum has been paid from and after the first day of January, 1931, on any mortgage or agreement covering the sale of farm real estate, the difference between the rate of five per centum and the amount paid or collected shall be credited on any arrears of interest outstanding, and if there are no arrears, then the difference shall be credited on the principal of the mortgage or agreement.

In support of my amendment asking for a reduction in the rate of interest during the years 1931, 1932 and 1933, may I point out again that the average farm income in Canada, which was approximately $1,600 in 1928 and $1,500 in 1929, fell to $740 in 1931, to $660 in 1932, and in 1933 to $640. Anyone reading these figures will realize that it was much easier for a farmer to pay even ten or twelve per cent in 1928 and 1929 than five per cent in these later years. Because of the very difficult situation in which the farmers have found themselves in the last five years due to the very low prices received for their products, prices over which they had no control, I ask favourable consideration of this amendment by the committee.

Mr. RHODES: I was not in the house last year when section 17 was added to the Farmers' Creditors Arrangement Act, but it will be apparent to any draftsman that it is a section which has no relation whatsoever to that act. I have no doubt that the reason it was placed there was that it was not thought advisable at that stage of the session to introduce a fresh amendment to the Interest Act. But that is where a section of this kind ought to go. However, section 17 is there.

Now, may I point out that the proposed amendment—of which the hon. member for Macleod was good enough to give a copy in advance, for which I thank him—makes a provision which calls for an expenditure of public money. It is no less public money by reason of the fact that it comes from the farm loan board, for the principal comes out of the public exchequer. Therefore his amendment calling as it does for the expenditure of public money, is out of order, and it would be necessary to raise that point. But may I point out to my hon. friend that at the present moment he has a bill before the banking and commerce committee dealing with the rate of interest, and there is no reason why the whole subject should not be comprehensively dealt with there, so that any action taken by the committee on banking and commerce would be uniform. That would deal with the matter as one of interest and not as one affecting this bill, because I submit that it has no bearing whatever on this bill. The compromise of the debts of a farmer has no relation whatsoever to the question of interest, because it is a matter of compromise. Whether the interest is one per cent or twenty-five per cent would make no difference in the adjustment of the debts. Under the circumstances I hope that my hon. friend will not press his amendment but will take the course I have suggested; otherwise I shall have to raise the point of order which I have mentioned.

Mr. GARLAND (Bow River): Whether rightly or wrongly I am not going to say now, of course, but last year by section 17 of this very act the government itself did bring this question of interest within the scope of the Farmers' Creditors Arrangement Act. Unfortunately they placed in the act a weapon that was most unworthily used in some cases by unscrupulous persons who alleged, of course, that the government had reduced the interest rate to five per cent. Those who studied the clause realized, of

course, that in itself it was practically useless, and I doubt if a single case has been adjudicated under it. The clause provided, as the hon. member for Macleod has pointed out, that where a debtor farmer tendered the payment of all the principal due, all the arrears due and all the interest due plus three months' interest in advance, after the three months had elapsed no rate of interest higher than five per cent could be collected. When you make a statement of that kind to an average farmer audience in western Canada it is greeted with scornful laughter, and quite properly so. The clause is worthless. I congratulate the hon. member for Macleod on endeavouring to introduce into this act the very principle that the government protested it had in mind last year, the general reduction of interest rates of five per cent, in keeping with the action taken in other countries. It is not my purpose to-night to stress the necessity for that; it has been shown again and again in other years as well as this year.

Mr. MACKENZIE (Vancouver): Would the hon. gentleman read section 17?

Mr. GARLAND (Bow River): It will be read in a moment. I could tell hon. members of men who came to Canada from other countries; I have one in mind at the moment, who came here with some $35,000. He entered into the purchase of land under an agreement of sale; he operated as a scientific farmer, sparing himself neither in physical toil nor in mental effort. He worked twenty-five years without leaving his farm, but at the end of that time it was found that he owed $63,000, half to the Canadian Pacific Railway and half to the Bank of Montreal. Two years ago his life insurance policy, his last realizable asset, was sold, and the proceeds were divided equally between the bank and the Canadian Pacific Railway Company. That result, of course, was due in large part to climatic conditions over which neither the debtor nor the creditor had control, but at the same time the ruthlessness of collection by the creditors and the extortionate rate of interest charged in relation to the productivity of the farm had no small bearing on the man's ultimate collapse.

I hold in my hand a statement which I gave the house last year, but which possibly has been forgotten. It is the result of research work carried on by Doctor Win Allen and Doctor Hope of the university of Saskatchewan. After two years of study they found that if the farmers of Saskatchewan had wanted to pay the interest on the farm debt—the interest only—according to their investigation it would have required four-fifths of the entire wheat crop raised and sold in that province. If they had wanted to pay their taxes—with which we are not concerned at the moment—it would have required two-fifths of the total wheat crop raised and sold. So if the farmers of that province had endeavoured to pay interest and taxes alone it would have required one-fifth more wheat than they raised and sold. Exactly similar conditions prevail, varying only slightly in degree, in the three western provinces where grain is the principal source of revenue.

A few days ago the hon. member for Macleod again drew vividly to the attention of the house the collapsed financial condition of agriculture. He must have made it apparent to every hon. member who listened to him that it is impossible for agriculture to continue to pay even five per cent, or certainly more than five per cent. I think he is exceedingly conservative in placing the figure at five per cent; if I had my way I would eliminate all interest from the time this depression commenced, and I would not restore it until we had price levels analogous in some degree with those of 1926. The figures quoted by the hon. member for Macleod are worth putting on Hansard once more. He stated that the total farm income in Canada for the four pre-depression years amounted in round figures to $4,012,000,000. In the four years of the depression that total income was only $1,740,000,000, so there was a decline in income of $2,268,000,000 during that four year period. These figures are significant; they tell a story, more vividly than words, of conditions that must be dealt with by this parliament and that must be recognized by this government. The proposal made by the hon. member for Macleod, even if it were out of order—and I contend it is not—ought to be accepted by the government and introduced as their own measure. If they are not willing to accept it as an amendment from this section of the house let them accept the principle and bring in the amendment themselves.

Mr. RHODES: My hon. friend from Bow River is too shrewd to have misunderstood my position. I am not dealing with the merits of the interest question at all. I have stated time and again that I should like to see interest rates as low as they can be reasonably made, but the question of interest does not arise in connection with this bill at all; it has no reference to it. The hon. member says section 17 was placed in the bill last year by the government. That is quite true. The only explanation I can offer is that at that stage of the session it was thought

perhaps unwise to attempt to amend the Interest Act, but the bill was altogether silent on the question of interest. That would have no bearing upon the operation of the Farmers' Creditors Arrangement Act. The settlement is made in the first place by compromise between debtor and creditor, and it does not make any difference whether the rate is ten per cent, seven per cent or two per cent; it is a question of settlement. Then you come to the board of review, who make their own terms with respect to interest. So the question of interest has no bearing on the Farmers' Creditors Arrangement Act whatever. The government has taken a stand so far as its general policy with respect to interest rates is concerned; we have come to the point where we have received many complaints from savings bank depositors that the rates of interest are too low. That is just an aside. I have told the hon. member for Macleod and I now tell the committee that the question of interest is one that should be dealt with in connection with the Interest Act, and my hon. friend from Macleod now has a bill dealing with the question of interest which is being considered in the banking and commerce committee. I am not trying to evade responsibility, so far as the government are concerned, in dealing with the question of interest on its merits. But having regard to the question of propriety, so far as the committee is concerned there is no question about this amendment being out of order. It is one of the cardinal rules of the house that only at the instance of the crown, by way of message, can a measure be submitted involving the expenditure of public money.

Mr. HANBURY: In what way would that involve an expenditure of public money?

Mr. RHODES: Because the amendment provides not only that there should be a certain fixed rate of interest, but that where more than five per cent has been paid an amount shall be returned to the borrower.

Mr. HANBURY: To the one who holds the mortgage. It may be a private individual it does not necessarily have to be the government.

Mr. RHODES: This will affect mortgages made under the farm loan board.

Mr. HANBURY: But is it not a general provision affecting all mortgages, and not necessarily only farm loan mortgages?

Mr. RHODES: Even so, it will affect the farm loan board.

Mr. HEAPS: Could the minister explain how government money is involved in this transaction?

Mr. RHODES: I have done so often, and I do not know whether I can do it any clearer. All the money which is lent under the farm loan act comes out of the public exchequer, and if the farm loan board has to hand back four years' interest, that money would have to come out of the public treasury.

Mr. IRVINE: I am not quite clear whether we are now discussing the amendment or the point of order. I shall assume however for a moment that we are discussing the amendment. I understand—and if I have the wrong impression I hope the minister will correct me at once—that the legislation of last year called the Farmers' Creditors Arrangement Act, now being amended, had as its objective not only the protection of farmers against what might be described as unfair foreclosures, but also the possible reduction of farmers' debts. If that was the intention of the act then I believe the minister will have great difficulty in excluding a discussion of interest rates, because the debts of a great many farmers consist almost entirely of interest. More than fifty per cent of most debts of long standing is composed of interest which those farmers have been unable to pay. Therefore if we are effectively to enable the farmers to reduce their debts, the most direct way to do it would be reduce the interest rate, the chief cause of a growing debt which cannot be paid. That fact in itself disposes of the minister's objection to the effect that the proper place for the amendment would be as an amendment to the Interest Act. Since the amendment has for its objective the reductions of farmers' debts I suggest it quite properly comes up for consideration at this time.

Under the act which was passed last year of farmer may offer a mortgage company the complete amount of his mortgage, even though it may not be due, and if the mortgage company does not feel inclined to accept the payment the farmer must from that time forward obtain his loan at the rate of five per cent. That is all very well, but the principle involved is that a man able to pay on his mortgage can get it at five per cent, whereas the poor devil who can pay nothing must continue to pay seven or eight per cent or, in some cases, ten per cent. Surely there is no common sense in an arrangement like that. Certainly when passing legislation such as that now before us we ought to be fair

enough to arrange it so that the man who has very little will receive favours equal to those received by the man who has more.

Mr. COOTE: The hon. member for Bow River thinks that when I placed the rate of interest at five per cent I set it too high. I believe I should plead guilty to that charge. I know such a rate would prove to be a heavy burden upon the farmer, but the rate of five per cent is mentioned in section 17 of the act passed last year.

Mr. MACKENZIE (Vancouver): Read the section.

Mr. COOTE: I read it before, but I shall do so again:

Notwithstanding the provisions of any other statute or law whenever any rate of interest exceeding seven per centum is stipulated for in any mortgage of farm real estate, if any person liable to pay the mortgage tenders or pays to the person entitled to receive the money the amount owing on such mortgage and interest to the time of payment, together with three months' further interest in lieu of notice, no interest shall after the expiry of three months' period aforesaid be chargeable, payable or recoverable in respect of the said mortgage at any rate in excess of five per centum per annum.

2. The provisions of this section shall apply in the case of any mortgage heretofore or hereafter made and whether or not the principal sum is due and owing at the time such tender or payment is made.

Mr. MACKENZIE (Vancouver): Who moved that last year?

Mr. COOTE: This is a section of the bill introduced by the government at the last session. When the matter was under discussion last year I believe hon. members will recall that we spent the greater part of a day trying to persuade the Prime Minister to change this section so that the rate of interest on any mortgage should not be more than five per cent per annum from and after the passing of the act. I still feel strongly that that should have been done. I believe, further, that the preamble to the act introduced last year would justify our including some provision for a general cut in the rate of interest on farm mortgages. The act passed last year was to deal with one thing only, namely farm debts. The first half of the preamble reads as follows:

Whereas in view of the depressed state of agriculture the present indebtedness of many farmers is beyond their capacity to pay; and whereas it is essential in the interest of the dominion to retain the farmers on the land as efficient producers....

It seems to me one of the things we need to-day is a general reduction in interest rates, so that those farmers may be kept on the land as efficient producers. Interest rates of eight and nine per cent will in the course of the next four or five years, if we continue to receive low prices, drive into bankruptcy a number of farmers who are still solvent. Present rates of interest are too high and are more burdensome to the farmers than the amount of the debt. We could reduce the amount of the debts by one-quarter, without touching the rate of interest, and not give the farmer as much relief as we could give by reducing the rate of interest. I do not believe we would be working a great hardship on anybody. We would not be cancelling any savings; we would simply be reducing to five per cent the rate of interest to be collected, and in most cases the five per cent would have as great purchasing power as the eight per cent charged in 1929.

Then the minister raised the further point, namely that in effect the amendment would call for the payment of moneys out of the public funds. Perhaps I am not learned in the law—I will admit that—but it does seem to me that the minister's observations could not apply to the amendment. It simply states:

Where interest at a rate in excess of five per centum per annum has been paid from and after the first day of January, 1931,—

And since that time we have had these extremely low prices—

—on any mortgage or agreement covering the sale of farm real estate, the difference between the rate of five per centum and the amount paid or collected shall be credited on any arrears of interest outstanding, and if there are no arrears then the difference shall be credited on the principal of the mortgage or agreement.

Therefore it would not be necessary to return any money to the mortgagor. The amendment simply means that money which has been paid and credited to interest would in some cases have to be credited as payment on principal. It seems to me that in that case there is no provision calling for an expenditure of public money. I may be wrong, but at any rate that is my present view, and I hope the chairman of the committee will hold a similar one.

Then, in regard to the other point, I admit quite frankly that the matter of interest rates is now before the banking committee in the form of a bill which I introduced, but that deals with interest rates in general. In none of its provisions does it relate specifically to the rate of interest on farm mortgages. It seems to me therefore that this committee would be in order to deal with the rate of interest on farm mortgages, and that we may properly do so when we are considering the

bill having for its purpose the amending of the Farmers' Creditors Arrangement Act. I trust that upon reflection the minister will see the reasonableness of my suggestions.

Mr. RHODES: My hon. friend from Macleod seems to think there is a distinction between giving up several hundreds of thousands of dollars of money on the one hand, and paying it on the other. Well, there may be, but I do not see it myself. Here is the effect of this amendment of my hon. friend, in its actual concrete results. I am not stressing the point of order which I think is very clear. The farm loan board of Ontario has out to-day something like $55,000,000, the Saskatchewan board has out $18,000,000; the Alberta board has out some $12,000,000, and at the present moment the Saskatchewan board is lending money to farmers at six and a half per cent. If my hon. friend's amendment were carried it would mean that the farm loan board of Saskatchewan would have to hand back one and a half per cent of all their mortgage money covering the last five years, and in the last three years alone it would run into many hundreds of thousands of dollars. So it is idle for my hon. friend to say that this would not work a hardship. It certainly would, but I make that observation in reply to the statement of my hon. friend who seems to think that in a matter of dealing with a few hundreds of thousands of dollars or a few millions it would not do any harm at all, that they do not pay it—they just credit it. Yet the fact remains that you are out just that much money, whether you pay it or credit it. I hope the committee in its judgment will be disposed to reject this amendment, if only on the ground of equity and justice. But I submit, Mr. Chairman, that under the rules of the house it is not competent for my hon. friend to move it.

The CHAIRMAN (Mr. Gagnon): Does the hon. member press his amendment?

Mr. COOTE: Yes, Mr. Chairman, I would like to have your ruling whether it is in order or not.

Mr. MACKENZIE (Vancouver): I just want to say one word, Mr. Chairman. I am in absolute sympathy with the amendment moved by the hon. member for Macleod, and ordinarily speaking I would support it if it were moved by the government. On the other hand, I must agree with the Minister of Finance that the amendment is out of order as it either inferentially or directly affects the revenues of the crown.

Mr. GARLAND (Bow River): If it is ruled out of order, the fact that it is out of order does not permit the government to escape responsibility.

Mr. RHODES: We are not trying to.

Mr. GARLAND (Bow River): The matter is now on its doorstep, and I am hoping that before this session is closed the government will have accepted the idea proposed to-day by my hon. friend from Macleod.

The CHAIRMAN (Mr. Gagnon): My ruling is that for the reasons given by the Minister of Finance (Mr. Rhodes) and the hon. member for Vancouver Centre (Mr. Mackenzie) the amendment is out of order as being moved upon the initiative of a private member instead of a minister of the crown, according to May, page 511, as quoted in Beauchesne's Parliamentary Rules and Forms at page 165, paragraph 555.

Mr. COOTE: Mr. Chairman, I regret that the amendment has been found to be out of order, but if I have your permission, sir, I wonder if I might move the first part of it now as an amendment to the bill. It occurs to me that if the second part of the amendment is out of order perhaps the first part is in order. Therefore I would move that section 17 of the act be amended by adding the following subsection thereto:

> No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate or agreement covering the sale of farm real estate.

The committee will see that I have left off that section to which objection has been taken on the ground that it would necessitate the expenditure of public money. I still feel that this is a matter which we might very well deal with; as a matter of fact I think we should deal with it now that we are considering the question of farm debts. I therefore move this amendment, Mr. Chairman, and hope that it will be accepted.

Mr. SPEAKMAN: I should like to say a word in support of this amendment. I frankly confess that in spite of having full sympathy with the amendment previously proposed by the hon. member for Macleod I kept quiet because even before the Minister of Finance had spoken I was convinced that it was out of order because of its application to loans made by public bodies. But I do not think that objection applies to the amendment that has just been proposed. It might be considered under two aspects, and I shall not dwell upon either.

First there is the question of the merits of the case itself; that is, the relation of that reduced interest rate to farm prices and farm income and farm purchasing power. That has been so well argued that I shall not deal with it at all. But may I point out this one fact. Such action would perhaps do more to safeguard the creditors and make many doubtful debts sound and payable than any other action that could be taken. It has been pointed out before that one of the chief factors in increasing the risk in lending money, the risk of non payment, is the fact that in many if not in most cases the rate of interest is higher than can be earned by the money. To reduce that rate to a more reasonable point would go further than almost anything else could go in safeguarding the ultimate rights of the creditor and making possible his ultimate repayment.

The point has been raised, however—the minister has not discussed the merits of the question—as to the relation of this question to the present bill now under discussion. It has been suggested by the minister that this is not the proper place to deal with such a subject, but that it should be dealt with under the general Interest Act. Well, we are ruled largely by precedent in this house, and action taken at one time unchallenged and passing into law becomes a precedent which governs the application of that principle for the future. To my mind when the government last year introduced the principle of interest regulation in relation to this act, it was not done by accident; it was not done haphazard; it was not merely attached without any possible correlation; it formed a very definite part of the whole plan. It seems to me that such an amendment could find no better place than in an act the purpose of which is to reduce debt and to reduce interest and to bring debt and interest within the payable range of the farmer. I shall not stress that point, which is appreciated I am sure by every hon. member. I only hope the government will look favourably upon this amendment. Lacking the assurances that general and drastic action will be taken in respect of the Interest Act itself, I do hope that the government and this committee will consider favourably the application of this principle to the particular type of debt with which we are dealing under this act, mortgage debts owed by farmers.

Mr. MACKENZIE (Vancouver): Again on a point of order, Mr. Chairman, I understand that the Chair ruled that the entire amendment moved by the hon. member for Macleod was out of order. As such, both subsections 3 and 4 fall by the same ruling of the Chair. Do I understand that any hon. member has moved a new amendment? If no new amendment has been moved, I submit, Mr. Chairman, that your ruling places out of order all the subsections of the previous amendment. On the other hand, if a new amendment has been submitted to the Chair I would with respect submit that subsection 3 by itself is in order, reading:

> No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate or agreement covering the sale of farm real estate.

I do not think that that does directly, although it might inferentially, affect the revenues of the crown in the years to come. But I submit that unless some other member has moved a new amendment, the entire amendment that was originally moved by the hon. member for Macleod has fallen by the ruling of the Chair.

Mr. RHODES: If I may be permitted, it was intended that the committee should rise at nine thirty. Before moving that the committee rise I might say this. I think my hon. friend has in mind the well established rule that if an amendment is partly bad it is all bad. Otherwise what would happen is that if hon. gentlemen moved an amendment and it were ruled out of order they might keep picking at it until they found something that was in order. However, I am not now dealing with the merits of the question. The government assumes full responsibility; we have to take a good deal of responsibility and a little more will not help us or hurt us one particle. I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

SUPPLY

DEPARTMENT OF MARINE

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

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

Miscellaneous services relating to navigation and shipping $43,572.

Mr. MACKENZIE (Vancouver): What is the reason for the reduction?

Hon. ALFRED DURANLEAU (Minister of Marine): During the last fiscal year we incurred a special expenditure for the removal of some derelicts. That expense will not have to be incurred this year.

Mr. REID: What are the miscellaneous services here mentioned?

Mr. DURANLEAU: This includes necessary provision for examination of masters and mates, in the sum of $14,612; navigation schools, $5,960; temporary relief to distressed seamen, $2,500; investigation into wrecks, $5,000; registration of shipping, $2,000; removal of obstructions in navigable waters, $9,500; inspection of live stock shipments, $4,000.

Mr. REID: Has the minister given further consideration to the proposal to inaugurate schools for seamen in other parts of the country? Last year he gave us a list of schools and they were mostly in the eastern provinces. We appealed to him then to give consideration to other ports, especially on the Pacific coast.

Mr. DURANLEAU: I do not think we have increased the number of schools.

Mr. REID: How many are there?

Mr. DURANLEAU: We have schools at Halifax, Yarmouth, St. John, New Brunswick, Quebec and Prince Rupert. We also give a grant to the navigation school in Queens university, amounting to $500. These are the same schools we had previously.

Mr. REID: Has the minister received any appeals from Vancouver and New Westminster for schools?

Mr. DURANLEAU: I suppose there were, but during the depression we did not think we ought to increase expenses. It may be that in the future we shall do so.

Item agreed to.

NATIONAL DEFENCE

Salaries, $402,692; contingencies, $45,948.

Mr. REID: I wish to bring to the attention of the minister certain things that are happening in connection with the unemployment camps under the jurisdiction of the Department of National Defence. Last year when this subject was under discussion I called the attention of the then minister to certain matters in connection with supplies to the camps in British Columbia, and to-night I want to refer particularly to the two in my constituency at White Rock. Last year I made an appeal with regard to the purchasing of supplies for these camps, pointing out that when the camps were under the jurisdiction of the provincial government that government had a policy of purchasing supplies from farmers round about. They would purchase fresh milk, fresh vegetables, potatoes, beef, pork, and so forth, paying the prevailing wholesale prices. After the camps came under the jurisdiction of the dominion government that policy was changed and the supplies were purchaser by tender or contract from wholesale firms in Vancouver. I pointed out last year that an injustice was being done the farmers in that the government was paying three or four prices for the goods they were purchasing from the wholesalers, and the then minister informed me that if the farmers would club together or if an organization of them would submit prices to the government they would be taken into consideration, but that under the circumstances it was deemed in the best interests to purchase supplies for the camps from wholesalers. I pointed out, however, that it was difficult to carry this out. This year I made it my business to pay a visit to those camps. Last year I had paid one or two visits to them, but just prior to leaving for Ottawa I paid another to see what was being done in the matter of supplies. One of the first things I examined there was potatoes and other vegetables. I have brought along with me to show the committee a sample of the potatoes they had in those camps, and am sorry the Minister of Agriculture is not in his seat because I think the exhibit of potatoes I have on my desk is well worthy of his investigation. The farmers in the fall of last year were unable to sell their potatoes in any quantity. First-class grade 1 potatoes, were being sold for $5 a ton landed in the city of Vancouver. As for second grade potatoes, there was practically no sale for them, but if any were sold, the most any farmer received was $3.75 a ton. I was very much surprised when I visited the camp to find out that the government was purchasing potatoes from a firm by the name of F. R. Stewart. I may say to the committee that is one firm which should be investigated, because it is part and parcel, I believe, of a United States combine that is operating on the Pacific coast and squeezing out the life-blood of the farmer. I was greatly surprised to find that the government was paying $24 a ton for potatoes a sample of which I now hold in my hand and which I am going to send across to the minister, because such stuff at the price is a positive disgrace. I took from the camp a sample, namely, these three potatoes which I am now passing across the floor; I took them into Vancouver and placed them before one of the dominion government inspectors. He, believing that I had a few tons to sell, said, "Mr. Reid, those potatoes are not worth much; you could not sell them at this time." I replied, "Supposing I were selling them and someone wanted to

buy them; what would they pay me?" He said, "You would probably get $3.50 or $3.75 a ton landed in Vancouver." I said that I was much obliged for the information. The potatoes were grade 2, or perhaps grade 3, and that is what the dominion government is paying $24 a ton for. One farmer who lived in the vicinity, on hearing that the camp was out of potatoes, went to the camp foreman and asked if he could deliver a few tons. The foreman said, "Well I am very sorry, but you will have to take the matter up with the purchasing agent." The purchasing agent in turn said, "Well, F. R. Stewart is supplying the camp with potatoes." So this farmer telephoned Mr. F. R. Stewart, who said to him, "Well, do not send the potatoes to the camp; bring them in here and if we can take them we will take them from you." Mr. Stewart took a few tons for which I believe he paid the farmer $5 a ton landed in Vancouver, and this firm in turn took the potatoes out to the same district and charged the government $24 a ton for them. I think I am right in drawing this matter to the attention of the committee. Last year also I drew to the attention of the committee and the former minister what was happening in regard to the purchase of supplies.

A similar situation prevails with regard to milk. They are purchasing tinned milk when they are right in a district where fresh milk is easily procurable. I understand they are paying about $12 a ton for vegetables when all the farmer was getting was about $4 a ton for carrots, $6 a ton for turnips and about $9 a ton for cabbage, which is the highest priced vegetable there. But these vegetables are all taken out of the district where the camp is, trucked eighteen to twenty miles into Vancouver, and then taken right out again to the camp. I would not feel so strongly about this were it not for the fact that I had already appealed to the government in regard to this sort of thing. It is high time that we had a number of hanging posts throughout the country, because any man who takes advantage of the people when such suffering is going on should be drastically dealt with. I can now understand the feeling that prevailed in days gone by when they hanged the sheep stealers.

I also complained last year, not publicly in the house but otherwise, regarding a firm that got a contract for supplying tobacco to the camp. The men there by the way are receiving between $5 and $6 a month and all their clothing, and I think I am correct in saying that they are allowed one and one-quarter cents a day for tobacco. The firm that got the contract for tobacco last year got it I believe at a price of forty-five cents a pound, and the local firm in my city complained to me that the Imperial Tobacco Company had undercut everyone else and obtained the contract at a price away below cost of production. The men in the camp receive one and one-quarter cents, so they got one and one-quarter cents worth of tobacco a day, and the price then was forty-five cents a pound. But I was greatly surprised when I visited the camp to find out that by some juggling the price had been jacked up quite a bit without any of the other firms being given a chance to bid again. The result was that the men in the camp were of course getting less tobacco than before. It is high time that a thorough investigation was made into the matter of purchasing supplies in those camps.

It was stated in the provincial house—I have not the exact facts before me, but I have the information on the authority of engineers who have looked into the matter—that the purchase of all clothing and the total overhead expenditure coupled with the 5 to 6 dollars a month given to the men is costing the government in the neighbourhood of from $30 to $40 a month to maintain each single man in those camps. That statement was made in all seriousness in the provincial house by those who have investigated the matter, although the figure they gave was a little higher than the one I am now submitting. I got this figure independently before I came to Ottawa. When one looks over the long list of stuff which is supplied to these men and realizes the nature of the firms that are supplying it, if they are supplying it along the same line as that firm is doing with regard to potatoes, I can well understand that the cost to the country would be high to maintain those single men in the unemployment camps. Those matters are very serious and, as I say, this is not the first time I have drawn them to the attention of the Minister of National Defence.

I am not at all sure whether the single unemployed transient comes under the minister's department or under the Minister of Labour, but I might as well complete the story that I have, because this is affecting all the municipalities and cities in British Columbia; and the situation is becoming very much worse due to the actions of and a ruling that was made under the Department of National Defence. Rules were made regarding transient men, but a new rule was issued last fall I understand whereby men must be physically one hundred per cent

perfect before they are taken into the camps. I have the case of two brothers who came I believe from Alberta; they were transients of course coming from one province to the other and were looking for work. When they arrived in Vancouver they were told that the first thing they would have to do would be to go before a doctor to be tested before they went to those camps. The two of them went before a doctor. One of them was pronounced one hundred per cent perfect, but the doctor said that the other had certain imperfections in his teeth and he was denied access to the unemployment camp. The relief officers who have been handling the affairs for the cities and municipalities complain very bitterly about the number of men who are coming from other provinces and who must first undergo a medical examination before being accepted in the camp. It seems strange the men must be one hundred per cent or thereabouts before being accepted in these camps, and that those who are not are simply thrown on the street. Were it not for social organizations and the charity of the cities and of the provincial government, it is hard to say just what might happen to those single transients who are moving from one province to another. This movement has been the cause of a great burden on the various cities and the government of British Columbia. They have come into that province by the thousands. I was at the boundary last fall when a Ford car with a family of eleven in it was on its way to British Columbia, and these people were not there long until they were on relief. The youngest of that family was aged nine. I have seen many schoolboys piled into a car but I never knew of as many in a Ford as on that occasion. Then we have people having their fares paid to British Columbia; I think that practice should be brought to the attention of the government. Many of these people have come into the province and some have been placed in the camps. I have under my hand an affidavit as to the fares of two being paid by the city of Winnipeg to British Columbia. That is one of the most despicable practices that is going on at this time; they are just trafficking in human life. If they find that people have a notion of going somewhere they say, "We will gladly pay your fare." I do not know how many have been sent east, but my guess is that the majority have gone west on account of our more equable climate. We knew this practice was being carried on by many cities, but this was the first person we had who would make an affidavit. The others were rather scared, but this one in Surrey made affidavit that the city of Winnipeg gave them their fare to British Columbia. They soon become a charge on the municipality. I think these matters should be brought to the attention of the government. But I want to stress particularly these matters which come under the jurisdiction of the Minister of National Defence, with regard to supplies and tobacco and the inspection of the men before they are taken into the camps. I brought this up last year but was told: "Oh well, we would rather deal with a firm that can supply us for two or three months than with individual farmers." It is no wonder the men in those camps are discontented and have lost heart, because every man there knew that the government was paying $24 a ton for potatoes when farmers in the district could not sell them. They knew that the government was paying a high price to the wholesaler for vegetables and other supplies, and I suppose they must have said to themselves: What is the use of our doing anything when the government allows this graft to go on? I appeal to the minister to have this practice stopped, and go back to the former method of purchasing fresh milk and other supplies from the farmers and give them some benefit. I did not hear many complaints when the provincial government was purchasing supplies direct from the farmers. It seems idiotic to have them trucked in to the wholesaler at Vancouver and then for that wholesaler to truck them back at a price that I say should not be allowed him.

Mr. MUNN: I also have a little story to tell in regard to the relief camps in my riding. I have wondered many times how long the present system will be carried on. I have made the statement in British Columbia and this house, and I am going to make it again, that the way those camps are conducted is a disgrace to the people of Canada and an insult to the majority of the boys housed in them. They would not be there if they could get a job; it is not that they are looking for something easy. After last session I made investigations—not by sitting in my office in an arm chair; I visited the camps and talked to the boys. Plenty of them are ablebodied fellows; all they needed was a square deal to get some results. On July 25 last I wrote to the then Minister of National Defence (Mr. Sutherland). I would like to place on Hansard my letter and the minister's reply:

Dear Mr. Sutherland:

In my federal riding of Vancouver North you have three relief camps under your department. One is located at Squamish, one located at Halfmoon bay and the other at Pender harbour.

These camps are favourably located for having some really worth while work done on the roads, but under the present system of 20 cents per day, they will never finish the job they are working at.

The road from Squamish to Britannia, about seven miles, would be wonderful value to the Squamish valley, where there are a lot of settlers and they have no market except by railway or steamship. If this piece of road from Squamish to Britannia was finished, it would give the farmers and settlers in the Squamish valley access to the mine at Britannia, where they have a mine in operation employing on the average 1,000 men, and all their supplies shipped in by water. So I think you can see at a glance it would be a job worth while if this road could be finished. May say that Britannia mines have ore in sight for many years. This alone would justify the building of the road.

There is a highway from Gibsons landing, to Pender harbour all completed except about two miles, which is located between the Pender harbour camp and the Halfmoon bay camp. If this were completed it would be of wonderful service to the travelling public.

The present system to me is an insult to humanity. I visited the camps and there are plenty of able-bodied men who would be able to build these two connecting links and open up these roads in a short time, provided they were given a reasonable deal.

My suggestion would be that you make an exception of these three camps and pay the minimum wage, which would be 40 cents per hour, work them say five hours a day, and five days per week, charge them 60 cents per day for board and let them pay for their own clothing.

I can assure you if this were put into effect there would be a different atmosphere, everybody would be satisfied, and you would create some work which would be of lasting benefit.

Might say they have accommodation at Squamish for about 130 men. The other two camps can handle fifty or sixty men, which would be enough for their smaller job.

I have been in the construction business all my life and I know whereof I speak, and if you could adopt the suggestion as outlined, you would get results and there would be three relief camps in British Columbia being paid a reasonable wage and I will guarantee you will get good results.

I hope you will give this your prompt and careful attention.

The minister replied on July 31, saying:

Dear Mr. Munn,—

I thank you for your letter of July 25 regarding the camps which our department is maintaining in your riding.

It would be impossible to have one system of organization in connection with certain camps and not in others. I realize fully the difficulties existing at the present time. Please be assured that your letter will be given every consideration.

[Mr. Munn.]

I have had no further word, and the camps are still there. In those three camps to-day I think there are between three and four hundred men. They have caused a good deal of trouble, and it is not surprising that there should be dissatisfaction; they get twenty cents a day and indifferent board. and the hon. member for New Westminster has told about the tobacco and other luxuries that they have to buy with that twenty cents a day. I protest very emphatically against that system. The government should change it and there should be a clean-up in those relief camps without any further delay. It is a disgrace to the people of British Columbia and of Canada and an insult to the boys housed in them.

Mr. MacINNIS: I wish to add a little to what has been said by the two hon. members who have preceded me. Living as I do in the city of Vancouver I have been in touch with men from the unemployment camps during the last two or three years. Instead of conditions in the camps improving, as they should if the department administering them would benefit by experience, they are getting worse and worse. About the Christmas season of last year some seven or eight hundred of the men left the camps and came to Vancouver. In one instance at least their transportation from the camp to the city was paid; the men from the other camps came on their own. This became quite a problem in the city of Vancouver; they had their own relief troubles and could not offer to look after this additional burden. However, they could not very well turn down the men because to do so without having some agency to provide for them would be rather a serious thing for the city. Some members of the council of social agencies took up the case on behalf of the men and arranged for meals and beds for a few days, until such time as they could get in touch with the provincial government and have them approach the federal government in the matter. I was advised of the situation very early in the proceedings, and with several others I interested myself on behalf of the men. We found it very difficult to get anything done. However, after coming here to Ottawa we found why that was so: the reason was that the attorney general of British Columbia had been advised by the Prime Minister of Canada that no provision whatever should be made for the men but that they should be forced through starvation to go back to the camps, regardless of what the conditions in the camps were.

One of the things for which the men were asking was an investigation into camp conditions. It seems to me that even though these men are on relief they should not lose all their rights of citizenship. They are on reilef through no fault of their own; it is the fault of society, and that being the case I believe when they make repeated complaints those complaints should be investigated. We took the matter up with the city council of Vancouver; we took with us a delegation of the men to state their own case to the civic authorities. The men did not say conditions were bad in all camps; at least they said some camps were worse than others. I was going to say some were better than others, but I think I should put it the other way about. I am not saying whether or not this is true, but true or not I think it is sufficient basis for an investigation. One of the men told us that in his camp conditions were fairly good. They had a good cook, who was feeding them fairly well. But after some little time the superintendent came around and told the cook that he was exceeding the per capita allowance, and that the food would have to be cut down. Evidently the cook was a fairly decent individual; he refused to cut down the food. He said, "I cannot feed the men on less than I am using now. I am careful, but I turn back cheap food, poor or tainted meat and poor vegetables that come to the camp. I cannot do better than I am doing." Well the superintendent, or whoever it was, said, "You will have to do better." The cook replied, "I cannot do it," and he threw off his apron and said, "Get somebody else." Somebody else took over the job, but evidently whatever this man was he was not a cook. After he had been there a few days the men found that there was less sugar on the table than had been usual. After a few more days the sugar disappeared altogether. Then a little later the dried fruits disappeared also, and the men were wondering what was wrong. For a time the flunkies who cleaned up the camp at night were given tea and toast after they had cleaned out the buildings, but this also was discontinued; they were turned out as soon as their work was finished and the doors of the cookhouse were locked. The men knew there was something wrong and they began to make investigations of their own. One of the men came into the camp one morning and said, "I have found it, boys. They have a still here; they are making home brew. That is where our prunes, our figs and our sugar have been going." The home brew was being made in the fire buckets.

Mr. TOTZKE: Did the men get their share of it?

Mr. MacINNIS: No, it was all saved for the higher ups. The men went to the foreman of the camp; they showed him the mash and said, "What are you going to do about it?" "Well," he said, "we will have to call in the provincial police." They called in the provincial police and showed them this mash; the police took the pails and dumped it out. The men said, "What are you going to do? Are you not going to prosecute somebody?" The police replied, "Well, there is no evidence." This may or may not be true, but that statement was made before the council and mayor of the city of Vancouver; in my opinion it should have been investigated but there has been no investigation. After considerable negotiation better counsel prevailed; the authorities did not accept the dictum of the Prime Minister that nothing should be done. On the promise that an effort would be made to get an investigation into their complaints, the men went back to camp quietly.

On Friday of last week I was in the city of Kingston, where I addressed a meeting which was attended by quite a number of men from one of the relief camps, and as usual these men had a number of complaints. The hon. member for New Westminster referred to the potatoes in one of the British Columbia camps. If my information is correct British Columbia camps are not the only ones where they have poor potatoes. The man who spoke to me said you could take the potatoes that were put on the table at that camp and if you squeezed them they would squirt water like a syringe. He also said that you could scrape the mould off the meat with a knife. In my opinion these are statements that the government cannot afford to have broadcast without investigation. A young fellow from a camp near Toronto told me they were fed sour potatoes in that camp. He complained to the person in charge, and that person told him he was an agitator and that if there was any more of it he would have to get out. As soon as a man makes a complaint in a camp he is an agitator. In my opinion the people of this country ought to thank God that these men have enough manhood to complain, and I think we ought to take some notice of their complaints. The men themselves admit, of course, that there are agitators in the camps, but they say that every man who makes a complaint is not an agitator. They say that the camps are not the place for the men who are habitual

agitators. Possibly the men are sick, either mentally or physically, and should not be in the camps. I suppose those camps cannot be abolished immediately, but surely we are not going to have them from now on. Young men reaching the age of twenty-one years are entering the camps, and old men are dropping out. Any government which does not clean up this situation has failed, I do not care what else it has done, and I would say that the sooner the government gets busy and tries to do something the better it will be for the Dominion of Canada.

Mr. MITCHELL: I have another point in mind, and it has to do with men who suffer accidents while in relief camps. In Ontario there is a workmen's compensation board, but men in camps who suffer accidents do not come within the jurisdiction of that board. Injuries suffered by civilians in the employ of the federal government are dealt with under legislation for government employees' compensation, and the government should consider action which would protect men who are injured in unemployment camps. I have in mind a young man who lost four fingers while operating a circular saw. I need not tell the government about the serious disability under which that young man will have to labour for the rest of his life. Under present regulations the person in question cannot be compensated, because he is working in the camp at Kingston which has in hand a project in connection with a college. Could the minister tell us whether this matter of compensation is being investigated? The family of the boy have seen me, because naturally they have had some cause for worry. Undoubtedly in after life due to the loss of his fingers he will be working under a disadvantage, and because of that handicap I believe the government should make some provision for him. Certainly something should be done in the province in which they have the best workmen's compensation legislation in the world. Could the minister give hon. members some assurance that machinery will be set in motion whereby these young men who have suffered accidents and are unable to follow their normal work will receive compensation equal to what they would have received had they been in private industry?

Mr. STIRLING: Let me hasten to assure the hon. member for East Hamilton that the matter to which he has referred is being considered, and an arrangement has been arrived at between the departments of justice, labour and national defence with regard to the adjudication which shall be given in cases of accidents within camps. Probably the settlement will be along the lines of compensation offered under workmen's compensation legislation in the provinces. I need hardly say that the statements made by the hon. members for New Westminster, Vancouver North and Vancouver South will be most carefully investigated. Some of the representations the department has already heard; some have already been investigated, and no evidence has been found to justify them.

The committee will recall that the Department of National Defence comes into the picture because it has certain officials scattered throughout the dominion capable of taking over the work of overseeing camps. The provincial government approached the federal government requesting assistance in the handling of the relief problem, and as a result of agreements with each of the provinces the dominion government made it its business to look after the single homeless unemployed men. These men were placed in existing camps taken over from the provinces or in new camps built by the Department of National Defence. The men were given sustenance, fuel, shelter, and an allowance of tobacco in weight but not in price, as the hon. member has said. Work was provided for them under conditions which were considered reasonable. I have had many opportunities to visit the camps in southern British Columbia. I visited them during the last summer and fall, and the summer and fall prior to that. I have taken meals in them and have talked with the men; I have observed the work they were doing and have come to the conclusion that the camps—every one of them—bore a favourable relation to the camps in which I myself had worked in earlier years. The food was excellent, the conditions for sleeping were excellent, recreation facilities were good, and for men who unfortunately for the time were unable to find gainful occupation I would say they lived under reasonably happy surroundings. We must remember the dominion government comes into the matter simply to assist the provinces. Our work is one of assistance, not one of substitution of the task devolving upon the provincial governments.

The hon. member for New Westminster has raised the difficult problem of supplying the camps with the various kinds of foods. Obviously from the point of view of the taxpayer it is desirable and necessary that costs of camps be kept down to a reasonable minimum. When the average for all camps throughout Canada is struck it will be found that they are being run at an extremely low figure, and yet the balanced ration offered in

each camp from the Atlantic to the Pacific is such that I personally could not complain. In my visits to the camps of which no notice had been given, I was handed meals which were most satisfactory in quantity and excellent in quality. I believe that from the point of view of food the men in the camps have very little to grumble about. The question of supplies by contract is one which offers some difficulty. There is no doubt whatever that the farmers in my constituency would like to be in a position to supply more beef, vegetables and other requirements than so far they have been allowed to supply, due to the system of contracting. Speaking more particularly about beef may I say that hon. members will undoubtedly realize the difficulty with which superintendents are faced when they attempt to arrange the supply of beef, especially in hot weather. Suppose we have a camp of one hundred men which requires a certain quantity of beef so many times a week. Farmers in the neighbourhood may have beasts to kill, but it does not follow that they are in a position definitely to guarantee that on a certain Wednesday they will be able to supply the camp with so many pounds of fresh beef. On the other hand, where you have firms who buy from the farmers, they have their own refrigerator arrangements and can definitely undertake to supply on such and such a day of the week so many pounds of beef for that camp. That is a means of getting over the difficulty which exists in endeavouring to buy comparatively small quantites of beef on certain days of the week.

The hon. member for Vancouver South has raised the question of the difficulties which occurred in the British Columbia camps in December. I think perhaps that situation has been adequately ventilated. The main point he makes is that investigation by a committee has so far been refused. The reason for that refusal is this: At any camp in Canada it is possible for a man having an objection to lay that objection before the foreman. If he is not satisfied with the reception he gets from the foreman he can take it to the superintendent of that group of camps.

Mr. MACKENZIE (Vancouver): The evidence is very much the other way.

Mr. STIRLING: If he is not satisfied with the reception he receives from the superintendent he can take it to the officer of that district. In the case of British Columbia, however, remembering that the dominion government is in this picture to help the province by agreement on terms laid down, the provincial government has been requested to send its representative into any or all of the camps and make up its own mind whether there is room for an investigation or not. So far as my knowledge goes, that investigation has not so far taken place. But the view taken by the department undoubtedly is that while we welcome visits of individuals, responsible men or ordinary citizens, we are not prepared to receive committees which will go in and investigate conditions and make their reports to we don't know whom.

Mr. GARLAND (Bow River): The mere existence of these camps indicates a collapse in the system of which the members of this house should take cognizance. To say that in a system of society in which the potential productivity is almost beyond computation we have to shove men away in this sort of regimentation certainly does not imply any praise of the mentality of those who are the governing force in the country. It may be it is the only course they are able to follow at the present time and under the present system, but the time has surely come when in the light of conditions they must reconsider the whole position of camps of this kind and determine definitely whether or not they must accept as permanent a condition of unemployment involving the continuance of this sort of thing if the present system continues.

But I rose not to make any generalized statement on this question, as that can await a more appropriate moment, but rather to draw the minister's attention to some complaints that have come to me. While I cannot vouch for their accuracy I feel it incumbent on me to pass them on to the minister and to his department.

It is alleged that men are drifting into the cities from these camps as they are being ejected, devoid of means, poorly clad, and with no prospect of even obtaining a meal, refused by the dominion, provincial and civic authorities; and that at the moment of the writing of this document to me, namely, January 25 last, twenty-eight men are being fed in the city of Calgary from contributions gathered from relief recipients in the city itself.

Mr. STIRLING: Would my hon. friend say what camps they came from?

Mr. GARLAND (Bow River): I can tell the minister one in any case before we get through. This is regarded as a callous attitude on the part of the authorities. Again I say the action may be justified. I leave it to the minister to investigate the facts.

With regard to camp No. 3, project 155, Seebe, it is alleged that one tent is supplied for ablutions in which 128 men take turns at

two tubs for all purposes, washing, bathing and washing of clothes. I took this matter up with the department in the form of a question. I find that this is their reply to that charge, and I would ask hon. members to note it carefully:

Accommodation is temporarily being provided by using two contractors' tents, one for ablution and the other for laundry purposes, containing ablution basins, twelve wash tubs, one hand washing machine and two vacuum washers. Regular ablution hut now erected and fittings being installed.

I have no doubt at all that that is being done now, but I would ask the minister to find out whether the complaint registered was accurate at any time. Evidently the conditions are being improved in that regard.

The second complaint is that the water supply at that point is a hole in the ground; that the water seeps through into this hole, apparently a dug well, and that the same water used for washing purposes is also used for culinary purposes. Perhaps that is put the wrong way round, and that what is meant is that the culinary water is used for washing purposes. The reply to that complaint which I received from the department was this:

At present water hauled from spring by team in forty-five gallon drums. Gravity system from spring one thousand feet away under construction.

I would like to know whether it is a spring that the water was being taken from, or is the complaint well founded that the water was taken from a hole in the ground?

The next complaint is that these men have been called out to work when the temperature has been as low as twenty below zero. I think the department admits when it replies that the men are sent out in such temperatures to cut firewood.

The fourth complaint is that in the bunkhouses, if the men hang up their clothes at night, they will sometimes be found frozen to the walls in the morning. The department admits that the inside walls of all huts were very cold during cold spells.

The next complaint is that men making complaints either for themselves or on behalf of others are immediately ejected from camp, and that their lives are placed in jeopardy by reason of the fact that certain of their camp clothes are taken from them and that they are transported in open trucks in subzero weather and dumped into the cities and summarily disposed of. They are placed on a blacklist and denied entrance to any other camp should they desire to go there. They are cut off entirely from relief and told to fend for themselves. Obviously, if this is true it must undoubtedly be one of the causes of crime. The official statement of these men is that this has come to be an alarming situation and is growing to such proportions that we cannot cope with it. I received this communication from the United Workers' Council of Delegates, Calgary. They go on to request that I take the matter up with the department in the hope that some action will be taken in connection with these complaints. I hope the minister will look into that too.

Mr. MACKENZIE (Vancouver): I desire to substantiate from personal knowledge all the remarks that have been made by my friends from British Columbia, the hon. members for New Westminster, Vancouver North, and Vancouver South. During the Christmas season we spent three whole days in the city of Vancouver and met a delegation from these men in the camps. Twelve hundred in round numbers came to the city of Vancouver, and I was greatly impressed by the exceeding fairness of the three spokesmen of these men who appeared before us. There was a complete lack of extremism, a complete absence of exaggeration in their statements, and a reasonable plea for fair play from the authorities.

The minister was exceedingly fair in his presentation of the case this evening, and I assure him at once that I am not going to impute the slightest blame to him because he has not been very long in charge of the department. But I suggest to him that he can do a tremendous amount to humanize the national defence camps in Canada. I am speaking with particular reference to British Columbia. What the hon. member for New Westminster said in regard to supplies is abundantly true, especially in the Kamloops area, where supplies have been bought from favoured contractors at prices higher than are charged by local farmers, and that in numerous instances. That is wrong, as I think the minister will agree. He mentioned the question of an investigation. Now, we promised these men in Vancouver that there would be an investigation, and after all, when three men are speaking for a number of men as in this instance, and when they ask for an impartial investigation, there is nothing unfair about such a request. The minister said that the provincial government had been asked to investigate; he is correct. And he is also right in saying that they refused to investigate and, I think, correctly so, because the provincial government has no jurisdiction whatever in regard to this method of handling relief. This is completely a national method, the only one that is completely national. We

promised these men in all sincerity that there would be an impartial investigation. A committee from the council of social agencies in Vaucouver approached us, and I would ask the minister to appoint his own commission, one single commissioner in his own department, to investigate the complaints. I am satisfied, after listening to the representations that have been made, that he would find the complaints fully justified. I am sure that the minister, who is an exceedingly fair minded and humanitarian gentleman, will be the first to see that these practices which the men complain of will be remedied. He said that those men who were blacklisted and fired could go to the foreman, the superintendent or the local officer. Well, they were fired inside of five seconds without seeing the foreman; they were fired by the straw bosses in the camps without a moment's notice, without packing their clothing or having an item of food, and they were sent away to live or die. That was done, not by my hon. friend but under the jurisdiction and control of the department over which he now presides, and every word said by the hon. member for Vancouver South is abundantly justified by the evidence we heard. I appeal to the minister to appoint his own commissioner and send him to British Columbia, and I am sure that he would find justification for these boys' grievances.

Mr. REID: May I point out to the minister, in connection with the purchase of supplies, that when the provincial government handled these camps the cost of meals—and I saw the figures before I left—ran from twenty-four to twenty-six cents per day for three meals for a man, averaging roughly eight cents per meal. Now the meals provided for the men in the camps under the jurisdiction of the provincial government were as good as if not more ample than the meals now provided by the dominion government. Before this item goes through I think we should have a statement from the minister as to the total cost of the men in the camps, segregating meals from clothing and other supplies as well as tobacco. I say this because I take a great deal of pride in the accuracy of any statements I make to this house, and the statements I have made this evening are not hearsay; they are based on first hand information from the records of the camp itself—not what someone in the camp told me. I have seen the men supplied with meals both under the dominion and under the provincial jurisdiction, and I know that the province had no difficulty in getting meat. In regard to keeping meat fresh, so far as the camps in White Rock are concerned, there is no difficulty because they have a freezing plant of their own, and the animals can be killed and the meat hung up and kept indefinitely. So that the question of keeping supplies fresh does not enter into the matter at all. When the provincial government was buying supplies locally there might be individual complaints, but apart from that the farmers supplied the rations such as fresh milk, vegetables, potatoes, pork, meat and other necessities, at reasonable rates, and I maintain that the price was a little less than the dominion government is now paying for the men in the camps. I submit that we should have a detailed statement of the whole cost, segregating clothing from the food supplied the men; and we might have the figures for the various provinces so that we might make a comparison.

Mr. STIRLING: Certainly the matter to which the hon. member for Bow River drew attention will be investigated. It was the subject matter of a question which he placed on the order paper some weeks ago and which was answered. It will be gone into more fully, he having drawn it to the attention of the committee. He mentioned one point with regard to water being obtained from a hole in the ground. Water frequently is obtained from a hole in the ground, and when we are discussing the relief camps it should not be forgotten that there is a medical officer, one of whose duties is to keep his eye on the purity of the water required in the camp. I remember one of the camps not very far from where I live—fifty miles north of where I live—on the borders of a lake. It did not draw its water from that lake, and of course there was local gossip immediately to the effect, "Here is the dominion government laying two thousand feet of pipe down the hillside when it could have taken water from the lake." The reason the water was not taken from the lake was that there was a medical officer attached to the camp. My hon. friend from Vancouver Centre raises the point once more of an investigation, and he states, as his reason for emphasizing the request for an investigation from Ottawa, that the responsibility is that of the dominion government. Now that is precisely where I differ from my hon. friend; the responsibility is that of the provincial government; the dominion government comes into the picture, let me repeat, in aid of but not in substitution for the work done by the provincial government. My hon. friend from New Westminster has raised the question of costs, and I think he

said, if I understood him rightly, that the ration cost to the government was 24 cents a day.

Mr. REID: From 24 to 26.

Mr. STIRLING: Perhaps I might read to the committee, in order to put it on the record, the expenditure per man day on relief to September 30 last. This totals $1.30 per man day and includes, so far as I am aware, everything that can properly be charged to the relief camp.

Mr. REID: That is roughly $31 per man; $1.30 per day would be roughly $31.

Mr. STANLEY: Figure it out for yourself.

Mr. REID: I can figure it out as well as anybody over there.

Mr. STANLEY: I would not think so from the looks of you.

Mr. REID: If anyone looked at you they would have another opinion of you. I don't like those remarks and I won't take them either.

Mr. STANLEY: I have listened to remarks the most exaggerated and unfair and what I consider—

Some hon. MEMBERS: Order.

Mr. STANLEY: From my own personal knowledge I can say that I have never listened to a more exaggerated statement made in this house than the hon. gentleman has made to-night, nor than another statement the hon. member made in regard to the empire agreements, altogether erroneous statements. Again to-night he is repeating the same thing.

While I am on my feet may I have this opportunity of saying something in regard to the statements made by the hon. member for Bow River. The statements were made in the press before the city council of Calgary, and the medical health officer of that city accompanied by two other representative citizens, one the president of the unemployed associations of that city and the other an alderman, went out to investigate the charges which were made. Not the statements which the hon. member has made to-night, but those which appeared in the press, the reported gist of which the hon. member has repeated to-night, were investigated, and the medical health officer reported to the city council that the statements were altogether exaggerated; that the camps after a most thorough and careful examination were found to be healthy, the food was found to be splendid; the sanitary conditions were found to be excellent and the camps were quite desirable. He pointed out several drawbacks because of the transition period through which they were passing in establishing the new camps, but otherwise the camps were quite desirable.

[Mr. Stirling.]

Mr. GARLAND (Bow River): The hon. member for East Calgary will do me the justice of remembering that I made no statements. I quoted, as I carefully pointed out to the minister, remarks for which I did not accept responsibility and merely asked that they be investigated.

Mr. STANLEY: I endeavoured to make it appear in that way in my remarks. The gist of the inquiries which the hon. member made was taken from reports in the press and investigated by this special committee of which I have spoken.

Mr. REID: I take the strongest exception to the remarks of the hon. member for East Calgary. I can tell him that many members may make statements in the house, but the statements I have made this evening I can challenge any hon. member, even the minister, to dispute. They were given to me right from the camp. It may well be the remarks I made regarding the medical profession are pinching my hon. friend a little hard. The statement with regard to the Ottawa agreements I will deal with at some other time, but so far they have not been controverted. It is true one member attempted to controvert them and said that I had made a mistake in regard to the question of butter, but it did not affect my argument at all. But the statements I made regarding the economic conference agreements were made from the government record, and as to the statements I made with regard to the camps, I will put my seat in jeopardy along with his if he cares to dispute them. I got my facts directly from the camp. I was told by the man in charge that the price paid for potatoes was $24 a ton, while as I have stated the farmer was getting $5 a ton for grade number one and $3.75 for grade number two. Will he undertake now to say that my statements are wrong?

When I mentioned the price of tobacco the minister took me to task and said that tobacco was provided. Perhaps 1.3 cents is all that is allowed each man, and it may not be allowed in cash, but those statements were taken down by me just a few days before I left for Ottawa and I repeat that they were given to me by the man in charge of the camp, an appointee of the government.

Mr. STIRLING: Perhaps I may be permitted to finish the statement I was endeavouring to make. It is $1.30 per man day.

Mr. REID: I merely asked if that took in everything including clothing.

Mr. STIRLING: Yes, I have said that in this we have included everything that we think can properly be included in the relief camp cost.

Mr. REID: My statement would be correct that I thought it was about $30 a month.

Mr. STIRLING: I do not understand my hon. friend's arithmetic, but if he will allow me to continue, perhaps he can clear it up himself. This amount of $1.30 is made up as follows:

Item	Expenditure per man day on relief
Land	0.6 cents
Project materials	12.1 cents
Transportation	3.1 cents
Accommodation:	
(a) Skilled tradesmen	0.8 cents
(b) Materials	9.2 cents
Subsistence	27.3 cents
Medical care	4.8 cents
Allowances to supervisory staff	11.7 cents
Allowances to labourers	16.3 cents
Clothing	16.0 cents
Tobacco	1.3 cents
Equipment and tools	7.1 cents
Maintenance of equipment and tools	1.4 cents
Ordnance equipment such as beds, mattresses, diningroom and kitchen equipment	8.2 cents
Other charges:	
(a) Hire of skilled tradesmen	2.6 cents
(b) Miscellaneous	5.8 cents
Stationery	0.7 cents
Expenditures chargeable to projects as a whole	1.0 cents
Total	$1.30

Mr. HANBURY: Does that also include Sundays or is it just working days?

Mr. STIRLING: The whole man-days right through.

Mr. HANBURY: Sundays as well?

Mr. STIRLING: Yes.

Mr. MACKENZIE (Vancouver): The minister stated a few minutes ago that the care of the single homeless men was very largely a provincial and not a federal responsibility; that therefore any investigation into conditions prevailing in those camps in British Columbia and in other provinces could very well be conducted by the provincial authorities and that the assistance rendered by the minister's department was not in substitution but in aid of provincial relief. I wish to take the most strenuous objection to that statement, because I saw that stated in several telegrams which passed between the Prime Minister and some of us in Vancouver during the negotiations to which I referred previously. Rightly or wrongly the Department of National Defence and the federal government have assumed in those camps the sole and entire responsibility for the care of those single homeless men. When accusations are made, rightly or wrongly, in regard to malpractices in those camps I suggest to the minister that his immediate duty is not to ask any provincial government to investigate them but to send his own commissioners out to those camps in British Columbia and other provinces and to assume the complete burden of investigation. I am certain, if the minister does that, it will assist him in the future administration of this very difficult problem. The minister and the government are wrong in trying to shelve their obvious responsibilty in regard to those camps. Rightly or wrongly the Department of National Defence assumed complete control over those men and to-day they are charged with entire responsibility for their care. To try to shift the responsibility to the provincial government is an evasion of the responsibility this government must assume and maintain in days to come. I am asking the minister in his own interest to investigate conditions in those camps and I am certain this will help him and his department in the administration of the whole system in future days.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 5, 1935

The house met at three o'clock.

DEATH OF ARMAND LAVERGNE

TRIBUTES TO THE MEMORY OF THE LATE DEPUTY SPEAKER

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, it is my sad duty to inform this house that another of our members has passed away, the hon. member for the constituency of Montmagny, who has been the Deputy Speaker of our house. Mr. LaVergne had a varied and colourful career. He was born at Arthabaska; he went to school there and in Montreal and, I think, in Ottawa also. He was very successful at school and at the university, where he studied law and graduated with honours. He was first elected to this House of Commons in

1904, when only twenty-four years of age. Even then he was known throughout his native province as a brilliant speaker, and continued to be so known until the end. In 1908 he resigned his seat in this house to enter the provincial field. He was elected a member of the Quebec legislature, where he remained for some years, later practising his profession in the city of Quebec. At the last general election in 1930 he was returned to this house as the member for the constituency of Montmagny and was elected as our Deputy Speaker.

Unfortunately Mr. LaVergne's health has not been good during the past two or three years; he has been unable to attend this house and take part in our deliberations to the extent that he would have liked, for I know he was always desirous of making his contribution to the debates of this chamber. If his health had been good I am sure he would have been a regular attendant here, and would have given us the benefit of his knowledge and experience.

This, Mr. Speaker, makes another gap in the ranks of this house. It is always difficult to speak of these unfortunate happenings, and as has been frequently said, they seem to occur in the membership of this House of Commons to a greater degree than in the ordinary walks of life. So, Mr. Speaker, on behalf of the members in all parts of this house, I would ask you to convey to Madame LaVergne and the other members of his family our very sincere sympathy in their great bereavement.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, again on behalf of the official opposition I have to express to members of the government and hon. gentlemen opposite our sympathy in the loss of one of the members of their party. Again at this session we share their deep regret at the passing of one more of our number, particularly one who held the prominent position of Deputy Speaker in this chamber.

I believe it had long been apparent to all of us that Mr. Armand LaVergne, the late hon. member for Montmagny, was bearing with great fortitude very severe impairment to his health. It would be unfair and indeed impossible, therefore, to attempt any estimate of his services to the public life of Canada by referring to the part with which we are most familiar and what we have known of him in this parliament. Personally, I like to go back in my remembrance of him to the days, to which reference has been made by my right hon. friend opposite, when as a young man, almost, I should say, the youngest member, he entered parliament in the year 1904, and sat as a Liberal member of the Commons for the four following years. As the right hon. gentleman has truly said, the late hon. member was believed by all at that time to have before him a very promising career. He was an able debater and brilliant speaker. Even at that time he was an ardent advocate of more or less independent views. In 1908, as my right hon. friend has said, he resigned his seat in this house in order to enter the Quebec legislature, in which legislative body he served also for a period of four years.

In 1911 he was one of the organizers of the Nationalist party in the province of Quebec and, thereafter, a foremost member of that party; and in 1927 he was one of the Quebec organizers of the Conservative convention at Winnipeg. I believe the fact that in his day he was by turn a member of different political parties and, I fear, not very happy in his relations with any of them, accounts in part for the fact that although he was a candidate for parliament in all the political contests between 1911 and 1930, despite his attainments, it was not until 1930 that he was again returned as a member of this house.

It is very difficult to estimate the services to the public life of a country of those who too frequently alter their party allegiance, or of one who by his very nature is critical and independent in his views to the extent of finding it difficult to work with other men. I believe it is one of the laws of politics that we have all to learn to seek to accommodate our views to the views of those who belong to groups entertaining ideas similar to our own, if anything effective is to be accomplished. While undoubtedly it may be a mark of strength for one at all times to be wholly independent and outspoken in the expression of one's views, it is also at times an evidence of equal strength for one to be able, while holding and cherishing independent opinions, to cooperate with others differing somewhat in opinion but who are seeking to serve like national ends.

The late member for Montmagny achieved an enviable position in his profession of law, and also an important place in journalism. As a journalist, he was much given to expressing independent and, at times, extreme views. It is my opinion that the country will remember him for the zealous manner in which he upheld minority rights, particularly as they had to do with matters with which he was deeply concerned. At all

times Mr. LaVergne was courageous and fearless, even to the extent of welcoming opposition and, upon occasions, of courting unpopularity. He will also be remembered for this, and, to those who knew him best, for qualities of heart and mind and for talents which, had he been less critical and more constructive and in some matters less eager perhaps to plough his solitary furrow, would have afforded him even wider spheres of public usefulness and national service.

I join with the acting leader of the government on behalf of hon. members on this side, in the expression of sympathy which it is the desire of all should be conveyed by Your Honour to Madame LaVergne in her great bereavement.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, it is with deep regret the house has learned of the death of our former colleague from Montmagny. All hon. members will realize that as we have not had the pleasure of his company during the present session he must have been seriously ill. May I be permitted to join with the acting leader of the government (Sir George Perley) and the right hon. leader of the opposition (Mr. Mackenzie King) in expressing from this corner of the chamber our deep regret of his passing, and our desire to convey through you, Mr. Speaker, to his widow and relatives our sincere respects.

Hon. ERNEST LAPOINTE (Quebec East) (Translation): Mr. Speaker, may I add my personal tribute to the homage paid by the parliamentary leaders to the memory of our departed colleague. Armand LaVergne and I commenced our parliamentary career on the same day, in February, 1904. We have battled ever since, sometimes side by side, sometimes under different banners, and I cannot help feeling painfully shocked at the thought that Armand LaVergne is dead.

A true son of Quebec, he reflected throughout his entire life love of country, fidelity to traditions, the nobleness of our history and the joy of fighting in defence of what he loved. He always manifested an active devotion towards our land and towards our race, which he ever sought to keep conscious of its originality. Possessor of a caustic, original and supple mind, he never sought to conceal his thoughts. Quite properly was he known in days gone by as "l'enfant terrible" of Canadian politics.

Mr. Speaker, Armand LaVergne had reached the stage when one's thoughts turn no longer to the past, but to the future. His straightforward and lucid mind was too fond of clarity in matters pertaining to this world not to seek the higher verities. He died as a true Christian, in the bosom of eternal truth. And our supreme farewell to him is the sad but confident one of those who believe, who hope and who love.

Hon. MAURICE DUPRE (Solicitor General) (Translation): Mr. Speaker, may I add a word to what has just been said on the tomb of our departed friend. We were united, the member for Montmagny and I, by bonds of friendship dating from the time I left college, in 1908. Since then, we have followed sometimes the same path, sometimes different ones, but always have I held him, even when he was fighting us, in high respect and admiration. As a lawyer, Armand LaVergne was distinguished. In political life, he made a great name for himself. He was known in every province of the Dominion. An ardent patriot and a brave man, he was ever ready to defend the cause of minorities and to take up the cudgels for the oppressed. He conducted, for the rights of the French language, battles that will ever remain memorable. I think it can rightly be said that henceforth his name belongs to our history, to Canadian history and to the history of the French Canadian race. Likewise can we say of him what has been said of a man he greatly admired and of whom he frequently spoke: He was a knight without fear and without reproach.

To Mrs. LaVergne and to all his relatives and friends we extend our deep and sincere sympathy.

OTTAWA AGREEMENTS

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, basing my question on an article signed by F. J. Savage and entitled "Britain likely to revise Ottawa agreements" which appeared on Saturday night of the 2nd instant, I beg to ask the government if it has been notified by the government of Great Britain of her intentions in the matter?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): So far as I know there has been no such notification, but I will make inquiries regarding the hon. gentleman's question.

CANADIAN NATIONAL RAILWAYS

BILL TO PROVIDE FOR THE APPOINTMENT OF AUDITORS

Hon. R. J. MANION (Minister of Railways and Canals) moved the third reading

of Bill No. 20, respecting the appointment of auditors to the Canadian National Railways.

He said: Mr. Speaker, the hon. member for Vancouver-Burrard (Mr. Hanbury) and some others I think mentioned when this bill was in committee the taking care of Touche and Company in regard to the work which they have done this year, and I agreed that on the third reading some provision would be made in the bill to take care of them in regard to the year 1935. However, upon making inquiries I find that their work has been entirely the auditing of the books for 1934; in other words, they have not yet begun upon the work of 1935, and until they have completed their report and presented it to parliament and until they appear before the committee, their work will not in any way affect 1935, and so with their consent there is no necessity for any arrangement for 1935.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, yesterday I asked for information from the Minister of Railways (Mr. Manion) about Mr. Laforce, one of the employees of the Canadian National Railways. In what I have to say I will be brief.

My intention is that not only the members of the railway and shipping committee are entitled to receive information from the Canadian National Railways, but also every member of this house who is called upon to vote moneys for the Canadian National Railways. I understand, of course, that some information may be confidential, but when I ask a question about the salary of a man and the kind of work he is doing for the railways, I am perfectly justified in doing so, and such a question calls for a reply, and a straight reply. We are ready to vote money for the Canadian National Railways when it is required, and we are entitled to receive all the information which is available. I have been most reasonable in asking for information in regard to the railways. In fact, this is the first question I have put this year with regard to them.

There is something I wish to tell the house about Mr. Laforce. Here is a man employed by the railways for colonization purposes, and he is writing articles which are just like the exercises of a school boy, expatiating on the beauty of the country and all that. Furthermore, I am told that the publication of his articles in the press is paid for by other governments. Here is a man who is supposedly working for colonization. His salary is paid by the Canadian National Railways, and his articles are paid for by the provincial governments. If the minister wants to practise economy in the Canadian National Railways the first thing he should do is discharge that man. Whenever I spoke in this house about distress in the different centres in the north the Minister of Labour (Mr. Gordon) would come along with a telegram from that man saying that all was well, and the telegram was signed J. E. Laforce. I have mentioned that not only in this house, but I said the same thing in the parliament buildings of Quebec when the last congress on colonization was held there last fall.

I have received no answer to my question about this man. Here is an opportunity for the minister to practise real economy. Let him see to it that the men who have been discharged from the railways, men who were doing good and useful work, are restored to their positions, and let him also see to it that all those who are doing nothing for the railways, and whose salaries are paid by the railway for doing nothing, are discharged at once.

I remember two years ago when I first brought up this matter it was at a morning sitting and the minister was right where he is sitting now. I advocated the same thing then, and the minister seemed to sympathize very much with my attitude.

With regard to the employees of the railway, Mr. Speaker, all the men who are doing useful work should be kept in their positions, but if you can dispense with a man who draws a big salary without doing useful work, and who draws that salary at the expense of three men who have the responsibilities of a family, that man should be laid off and the three men who could do useful work should be restored to their former positions. That is my humble view, and I submit it to the minister. I hope he will realize the stupidity of keeping on Mr. Laforce on the Canadian National Railways when no member of the house can get any information about his doings. I say that it is most unfair. The minister is fair enough to appreciate that. He probably will not admit it at once, but when he goes back to his office and thinks over what has just been said he will probably admit that the member for Témiscouata is following the right course in asking the minister to see to it that the greatest possible number of men are employed by the Canadian National Railways, and that all those who are drawing salaries for doing nothing shall be dispensed with at once.

There is another thing. What is the use of keeping as assistant superintendent at

Campbellton a man who can neither read nor write properly? It is just a fat job. What is he doing? The only thing he does is to try to put the greatest possible number of men out of their positions in order to justify his own salary. Is that economy? It is fattening one at the expense of many, and I ask most emphatically that his head be cut off. I do not say physically, but the house understands what I mean. There are many things like that, the purchase of materials for the railways, jam, lumber, construction materials of various kinds.

Mr. SPEAKER: I am sorry to have to interrupt the hon. member, but after all I have allowed him considerable latitude to-day. This bill calls for the appointment of auditors for the Canadian National Railways, and I must confess that the subject matter of the hon. member's remarks has not yet come within the scope of the bill. If he intends to continue, I must ask him to confine his remarks to the bill.

Mr. POULIOT: With due regard to you, Mr. Speaker, may I explain how my remarks come within the scope of the bill? This bill relates to the auditors of the railways. Well, the auditors have to audit every expenditure, and what I am mentioning is itself a saving for the railways. The greater the saving the less the expenditure for auditing, and therefore I am within the bill, I am within the subject matter before the house in asking for the curtailment of useless expenditures so that fewer such expenditures will have to be audited by these men.

Mr. SPEAKER: While I appreciate the remarks by which the hon. member seeks to bring himself within the scope of the bill, I do not think that what he has said is relevant. The bill covers the appointment of auditors and what the hon. member is arguing is a matter of management, not of auditing.

Mr. POULIOT: Then, sir, I will speak strictly—

Mr. SPEAKER: I must rule the hon. member out of order as regards the present trend of his remarks. If he has anything further to say with respect to the auditors I would ask him to confine his remarks thereto.

Mr. POULIOT: I will conclude my remarks with one sentence. Touche & Company have been auditors for some time. They have had a great deal of experience and they have not been criticized by the government for their work, which seems to me to have been well done. On this we are all in perfect accord. But, sir, with regard to auditing, and strictly auditing, without getting into any questions of management, would it not be fair to see to it that Touche & Company do not join the ranks of the unemployed, but that they be given the most important duty of auditing the accounts of the Canadian Pacific Railway so that we may know what has been done with the $60,000,000 which has been lent by this government by order in council? That is my humble suggestion. I suggest that the government avail themselves of the experience of this firm in having the finances of the Canadian Pacific Railway thoroughly audited by Touche & Company.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, since you have allowed the hon. member for Témiscouata (Mr. Pouliot) to ramble out of order, may I be permitted for a minute or two to say a word in defence of Mr. Laforce. I have known Mr. Laforce for many years, have followed his work, and can say without hesitation that he is a competent official in his department. It seems to me that when we have competent officials we should retain them. But if the attitude advocated by my hon. friend from Témiscouata is to be adopted, and Mr. Laforce is to be dismissed, notwithstanding that everyone who has come in contact with him knows how well he is doing his work, it is simply following the method of the present government. The minister said the other day that the auditors of Touche & Company were very competent and that the work was well done, and yet we are dismissing them. I think it is a wrong attitude. If the officials of any railway company over which we have control are doing their work properly—and I know that Mr. Laforce has rendered valuable service from the colonization standpoint—then I think it ill becomes the government to dismiss any official, or any group of officials who have given such services as those rendered by Touche & Company as auditors for the Canadian National Railways.

Mr. POULIOT: The hon. member will admit that opinions are free.

Motion agreed to, and bill read the third time and passed.

CANADIAN FARM LOAN ACT

AMENDMENT TO FACILITATE AND INCREASE THE EXTENSION OF CREDIT TO FARMERS

Hon. E. N. RHODES (Minister of Finance) moved the third reading of Bill No. 15, to amend the Canadian Farm Loan Act.

Motion agreed to and bill read the third time and passed.

FARMERS' CREDITORS ACT

AMENDMENTS TO FARMERS' CREDITORS ARRANGEMENT ACT, 1934

The house resumed from Monday, March 4, consideration in committee of Bill No. 10, to amend the Farmers' Creditors Arrangement Act, 1934—Mr. Rhodes—Mr. Bury in the chair.

Mr. RHODES: We finished the clauses of the bill when last in committee, but the hon. member for Macleod had submitted an amendment which had been ruled out of order, and then he proposed submitting a portion of the original amendment as an amendment. I am prepared to speak on that if my hon. friend desires to proceed.

Mr. COOTE: If I remember rightly, Hansard will show that I formally moved a second amendment last night, and I do not think it is necessary to say anything further in support of it. As I have said in this committee so many times, the present level of farm prices makes it impossible for farmers to pay a rate of interest higher than five per cent. Perhaps I am setting the rate very high when I place it at five per cent, but I might direct the attention of the committee to section 17 of the act of last year, which I think includes the principle covered in the amendment. Section 17 of the act as introduced by the Prime Minister last year reads:

(1) Notwithstanding the provisions of any other statute or law, whenever any rate of interest exceeding seven per centum is stipulated for in any mortgage of farm real estate, if any person liable to pay the mortgage tenders or pays to the person entitled to receive the money, the amount owing on such mortgage and interest to the time of payment, together with three months' further interest in lieu of notice, no interest shall after the expiry of three months' period aforesaid be chargeable, payable or recoverable in respect of the said mortgage at any rate in excess of five per centum per annum.

2. The provisions of this section shall apply in the case of any mortgage heretofore or hereafter made and whether or not the principal sum is due and owing at the time such tender or payment is made.

The principle of reducing the rate of interest on existing mortgages to five per cent is included in that section. It is true that this is applied only in the case of any mortgagor who is able to tender payment of the full principal sum as well as any interest which may be owing, but after all it seems to me that that does not alter the principle that the rate of interest on farm mortgages should not exceed five per cent per annum.

[Mr. Rhodes.]

Might I point out to the committee that although this act did not come into force in any province until proclaimed by the governor in council to be in force in such province, section 17 which I have just quoted came into force when the act was assented to. That was the one section of the act which came into force immediately the act was given royal assent; all the other sections did not apply in any province until a proclamation to that effect was issued. I think that point should not be overlooked in considering the amendment which is now before the committee and which asks that:

No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate or agreement covering the sale of farm real estate.

I would not press this amendment again on the committee were it not for the fact that I realize how badly it is needed. I believe the government, the House of Commons and the committee would pass this amendment if they appreciated, as some of us do, the need for it and how agriculturists as a whole cannot stand the present rate of interest.

Mr. ARTHURS: Why should this be confined to mortgages in connection with purchase of property? Why should it not apply to all farm mortgages?

Mr. COOTE: It applies to all farm mortgages. It reads:

No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate or agreement covering the sale of farm real estate.

The amendment covers both.

I would also like to remind the committee that, as I said yesterday, almost every agricultural country I know of has passed legislation of this nature effecting a general reduction in the interest rate on farm mortgages. At the moment I do not know of any other country, although there may be such, where it is permissible to collect a rate of interest of more than five per cent on farm mortgages. I do not think we can afford any longer to delay taking action to reduce the interest rate on farm mortgages. As I said last night only a small percentage of the farmers will take advantage of the Farmers' Creditors Arrangement Act, and as this act deals with the particular question of farm debts, it is very important and necessary and there is a responsibility on this committee to see that some provision of this nature is included in the act or that legislation is passed at some time during this session respecting reduction of

interest rates charged on farm mortgages generally. I hope the committee will accept the amendment.

Mr. RHODES: We will all concede at once to the hon. member for Macleod that he is animated by sincerity of purpose and that it is his desire to accomplish something by way of reduction of interest. It may rather surprise him to know I have a sympathetic feeling for the object he has in mind, but if I were discussing the merits I would say that we must be practical about these matters. It would be very easy, if it were competent for the committee, under the amendment of my hon. friend to say that the interest shall be only so much. Last year I used the illustration and I might use it now, that it is an old maxim that you may lead a horse to water but you cannot make him drink. If you get the rate of interest below the point where lenders are prepared to lend, then there will be no money available, and if a farmer is in dire need of money he will be the sufferer in the long run.

But I do not propose to enter into the merits of the discussion for reasons which I shall disclose in a moment, because there will be another opportunity during this session. My hon. friend's amendment reads:

No interest at a rate exceeding five per centum per annum shall be charged, payable or recoverable on any existing mortgage of farm real estate or agreement covering the sale of farm real estate.

May I point out at once that at this moment we are under the farm loan board loaning money at five and a half per cent. I have stated before and have no hesitation in stating again that I hope to see that rate reduced to five per cent and possibly lower. But the point is that not only are we at the moment making new loans at that rate, but we have many millions loaned under the old Farm Loan Act paying six and a half per cent, which under the legislation that is now before the committee we shall have an opportunity of reducing to a lower rate after the bill is passed. In the meantime however those mortgages are out at six and a half per cent. The effect of my hon. friend's amendment is to make a direct charge upon the public revenue, because the deficiency will have to be made up out of the exchequer, and I submit as a point of order that upon that ground it is not competent for my hon. friend to move this amendment.

I submit that the amendment is out of order for another reason. My hon. friend introduced into the house at this very session a bill which passed its second reading and which is now before the banking and commerce committee. Paragraph 5a of clause 4 of that bill, to amend the interest rate, reads:

In no case shall interest exceeding the rate or percentage of four per centum per annum be stipulated for, charged, taken, payable or recoverable on the whole or any part of the principal money advanced on or secured by mortgage of real estate, or on moneys payable under agreements for sale of real estate.

That very subject is now before a committee of this house. May I further point out that the amendment which my hon. friend now moves is much less in scope than is the clause of the bill which I have just read, because the clause of the bill refers to all mortgages whereas the amendment which my hon. friend now moves refers only to farm mortgages. Inasmuch as the lesser is included in the whole, this very subject will be determined when the bill is dealt with by the banking and commerce committee and comes back to this house for final action. But I do not stress the point of order although I feel it my duty to raise it on that point as well. I submit this however as a practical proposal: Is it wise to attempt to deal with legislation piecemeal? Is it wise to attempt to deal with a limited scope of farm mortgages when at this very session we are dealing with a bill which has reference to the interest rate upon all mortgages? Under these circumstances, in view of the fact that this subject will be decided upon, I hope my hon. friend will not press his motion.

Mr. STEWART (Edmonton): I must confess that I have a great deal of sympathy with the proposed amendment for more than one reason. Did I understand that my hon. friend is pressing his point of order?

Mr. RHODES: I must, unless the amendment is withdrawn.

Mr. STEWART (Edmonton): Then my remarks must be very brief; perhaps I shall be able to conclude them on another occasion. The whole purpose of this bill is to relieve a desperate situation; I think that is not putting it in too strong language. I cannot conceive that any arrangement will get a farmer—who after all has the choice between a compromise and becoming a bankrupt—out of his difficulty if he has to pay a rate higher than five per cent. I agree that our direction to the boards and to the registrar in dealing with the matter should be as wide as possible; for circumstances will vary. But at the same time if I were a member of a board and were adjudicating upon a claim in which the interest rate for a period of two or three years was

going to be more than five per cent, no matter how much the reduction in principal, it seems to me that there would be very little likelihood of the debtor being able to meet his obligation. That is my opinion. I appreciate that the matter should be left entirely to the discretion of the board, it must of necessity be so, but at the same time my hon. friend knows the conditions existing not only in western Canada but all over Canada to-day and that probably will exist for the next three or four years. The hope is that the adjustment granted will put the debtor in a position to meet his obligation, but it is my candid opinion that he cannot pay more than five per cent interest.

Mr. RHODES: May I say at once to my hon. friend that I do not quarrel with the general tenor of his remarks, but I point out that if this bill were silent altogether upon the question of interest the effect would be precisely the same as if this clause or any other were placed in the bill; because in the first place it would not interfere with the debtor and creditor getting together and agreeing to a compromise, nor would it prevent the board of review from fixing a rate of interest. So that I feel that it is not incumbent upon us at the moment to deal with the question of interest at all. The whole spirit of this act, as my hon. friend properly points out, is that of conciliation and compromise. Let us preserve that spirit.

The hon. member for Macleod referred to section 17 of the present act. Last night I was at pains to read the remarks of the Prime Minister who piloted that act through the house, and I found that the object of section 17 was not interest, but to compel mortgagees who held mortgages carrying rates as high as eight and nine per cent and who refused to take payment of the mortgage in times when the farmers were prosperous and could have paid them, to accept repayment of the principal. That three months clause was placed there to compel the mortgagee to take his money if tendered. It was not so much the matter of interest that was in mind in inserting that clause.

Mr. STEWART (Edmonton): Is the minister referring to an overdue payment of principal?

Mr. RHODES: No, I am referring to section 17 of the farmers' Creditors Arrangement Act, which was placed in the act, I say, for the purpose of compelling mortgagees to accept payment of the principal of a mortgage carrying a high rate of interest. If my hon. friend is interested I refer him to the remarks of the Prime Minister to be found at page 3640 of Hansard of last year, in which he outlined the reasons for putting that provision in the bill. As I said, there is no object in discussing the merits of the proposed amendment now, and this is not evasion on my part. Of course I want to see the procedure properly observed and our business conducted in an orderly fashion. But this whole question of interest is being dealt with by a bill which is now before the house, and if it passes it will have precisely the same effect as if we inserted a clause in the present bill dealing with the subject of interest, but will apply to the wider sphere of mortgages in general.

Mr. STEWART (Edmonton): I do not wish to delay the passing of the bill, but I do not view the matter in the same light as the minister. This is a special piece of legislation. The bill introduced by the hon. member for Macleod is general in its application. I think that is where he went astray yesterday in his proposed amendment. The bill we are going to consider deals with all mortgages; this is a special piece of legislation for a special purpose, hence my interest in seeing a reasonable rate of interest specified in it. I quite admit that much must be left to the discretion of the board, but I point out that this is special legislation and does not touch the general situation at all, while the other bill is very wide in its effect, for it relates to all mortgages.

Mr. RHODES: Including this. My hon. friend overlooks the fact that inasmuch as Bill No. 11 is wider in its application it includes what is dealt with in this bill. Surely we are not going to have two laws on the one subject.

Mr. IRVINE: Might it not happen that the house would pass the present bill but reject the wider one? If we miss the chance of giving them half in the hope of giving them all and in the result give them nothing, it would not be wise.

Mr. RHODES: If my hon. friend means by giving the whole that there will be a decision with respect to Bill No. 11 and that it will come back before this house, I will say yes, we will get the whole. What my hon. friend is overlooking is that the question of interest has nothing to do with the settlement of debts provided for under this bill. I have seen settlements in which interest at as low as three per cent was agreed to between debtor and creditor, where the original obligation was for a rate as high as six per cent.

Mr. HACKETT: Interest has been waived entirely in some.

Mr. RHODES: Yes. I say we should be in no better position by putting this provision in this bill.

Mr. COOTE: In my opinion the purpose for which the Farmers' Creditors Arrangement Act was passed will be better served by the amendment which I have offered to section 17 than perhaps by any other thing that may be done under that act. May I again remind the committee of the thousands of farmers who have heavy mortgage indebtedness but who do not intend to take advantage of the Farmers' Creditors Arrangement Act as it now stands. They are not going to ask a reduction of the principal, but they feel that they are equitably entitled to a lower rate of interest. It takes twice as much of their product to pay the interest as when they made the mortgage; the creditor is getting more purchasing power, more real value than he expected when he took the mortgage. The preamble of that act begins:

> Whereas in view of the depressed state of agriculture the present indebtedness of many farmers is beyond their capacity to pay;

Why is their indebtedness beyond their capacity to pay? Largely because they cannot pay the high rate of interest provided. But there are many who could pay if given a proper rate of interest, who otherwise will not get any advantage from the Farmers' Creditors Arrangement Act. Farmers of that class outnumber those who are going to take advantage of the provisions of this act. Are we going to take the attitude that the great majority of farmers who have mortgages eventually must be forced to come under this act simply to get a lower rate of interest? I do not believe that is in the interests of either the creditors or the debtors. I have been told that there are companies that would be glad to see a maximum rate of interest established that could be collected by any mortgagee. They would be glad to come down to that rate, but they are competing with other companies in the same line of business; they want to make equally good earnings for their shareholders, and if they accept a lower rate of interest while their competitors charge the higher rate they are at once put at a disadvantage in so far as earning power is concerned. So from that point of view alone I believe the house must deal with this subject, and if we do not deal with it I think we will not be doing our duty.

It is true, as the minister says, that I introduced a bill dealing with the general question of rates of interest, but that is a general bill while the measure with which we are now dealing has to do with farmers' debts only. The most pressing factor in the farm debt situation in Canada is the high rate of interest payable on farm mortgages, in many cases eight per cent. That is an impossible rate; I say it is usury. It is a rate that cannot be paid, and when debts reach the point where they cannot be paid the interest on them becomes usurious. That was the view in olden days, and I think it is the proper view now. Since the rate has become usurious I think the house ought to reduce that rate of interest by law. It seems to me this is the proper place to do it, when we are dealing with the question of farm debts. I am asking that the rate be reduced to five per cent, which I think is reasonable. As I said the other day, it may be that this will affect the solvency of certain mortgage companies. If that should happen this house could easily deal with the situation by making provision that the reduction in the rate of interest should carry through to the persons who invested in the bonds or debentures of the mortgage companies.

I need not labour the point further; perhaps I should apologize to the house for my persistence in this matter. I say again that I would not have persisted at all if I did not know the need for such action, but I know of families that are doing without sheets on their beds in order that they may keep their interest paid up and remain on their farms. One woman said to my wife this year, "We have been hailed out. We are going to take the threshing outfit out to earn some money. I have only five dish towels to put on the cook car, and then I will have none left in the house." That is typical of hundreds and I think perhaps thousands of cases, and one reason for that situation is the exorbitant rates of interest. A former member of this house said to me last December, "I had a mortgage of $30,000 on two sections of land. I can show you that I have paid $50,000 on that mortgage, and the company had me in court last week making me show cause why I should not allow them to proceed to foreclose." For the last three years they have been getting one-third of his crop delivered at the elevator. That man still owes $20,000; he has paid $50,000 on the original mortgage of $30,000. Eight per cent will double itself in eight years when it is compounded; it is an impossible rate of interest. We should have dealt with this matter long ago; we

are the last great agricultural country in the world to deal with it, and it seems to me this is the time to deal with it, in connection with this act.

It may be that I am wrong in this. The minister may be perfectly sincere; let us grant that we are both sincere. I feel this is the proper place to deal with this matter, because this act deals with the specific question of farm debts. Again I urge the committee, and the minister, that we should be allowed to decide this question now, whether five per cent is a proper rate; I think this is a very good place to decide it.

Mr. RHODES: My hon. friend in his sincerity of purpose and with all proper motives, which I accord to him—although I regret to say that he showed some hesitancy in conceding that I might be animated by equally worthy motives—will insist on discussing the merits of the question. I have stated before that I am not doing that now, inasmuch as we will do so before this parliament concludes. My hon. friend speaks for the farmer who is not going to come under the Farmers' Creditors Arrangement Act. That farmer will get such protection as this house may decide to accord him when it deals with Bill No. 11, which covers all mortgages.

Apart from the question of procedure, on which I am going to ask the chair to rule, I submit that at this moment my hon. friend is asking the committee to pass an amendment saying that the interest on farm mortgages should be limited to five per cent while at the same time he has a bill before the committee on banking and commerce, which has had second reading, which provides that all mortgages including farm mortgages shall bear a rate of interest not exceeding four per cent. Look at the logic of that position, and its consistency. My hon. friend is going to ask the farmers in one bill to pay one per cent more than they would pay under another bill. He is going to limit the rate on all mortgages to four per cent with the exception of farm mortgages which, under another bill, are to pay five per cent. Inasmuch as we are going to deal with this question in connection with Bill No. 11 which will cover all mortgages including those on farms, from a practical point of view I submit that we should confine our efforts in that direction to Bill No. 11.

The CHAIRMAN (Mr. Bury): Does the hon. member press for a ruling?

Mr. COOTE: No, I do not press for a ruling. I do hope the committee will accept my amendment, though.

[Mr. Coote.]

The CHAIRMAN (Mr. Bury): If the hon. member presses I must rule, and my ruling will be that the amendment is out of order for two reasons, first, that it involves the revenues of the crown and second that it is part of an amendment which itself, as a whole, was ruled out of order.

Mr. HANBURY: Mr. Chairman, before the bill is reported I should like once more to bring to the attention of members of the committee and of the government the suggestion that there should be a definite date of conclusion for this legislation. Yesterday we learned that only a very small percentage of our farmers have as yet taken advantage of the opportunity afforded them under this legislation. For purposes of argument let us assume that ten times as many farmers in Canada will take advantage of this measure. Surely it is not the intention that this legislation should be continued indefinitely; surely the intention was that it should be for the protection of the farmers who at present are unable to discharge their obligations; surely it was not the intention that it should take care of farmers during the next three, four or five years. I submit to the members of the committee that to-day farmers throughout Canada are having difficulty in securing credit for the small amounts of money they require in order to conduct their business, by virtue of this legislation in conjunction with the moratoria existing in the various provinces of Canada.

I suggest to the minister again that he seriously consider at this time bringing in an amendment setting some definite limit. I think any farmer who is not in a position to discharge his obligations to-day, or six months or nine months from now, should be able to take advantage of this legislation, but we will injure the standing of the farmer in the community and we will harm his credit unless something is done to terminate this legislation at the end of some definite period. I believe in the interests of the farmers themselves and in the interests of those we are trying to help by this legislation the minister, before this measure is given third reading, should bring in an amendment to terminate it at some definite date.

Mr. HACKETT: Mr. Chairman—

Mr. RHODES: I would deprecate any suggestion that this legislation should be regarded as a continuing, all-time measure.

Some hon. MEMBERS: Sit down.

The CHAIRMAN (Mr. Bury): The Minister of Finance has the floor.

Mr. RHODES: I did not know that my hon. friend had risen and wished to speak, but I should be quite content to allow him to do so. I was only going to reply to my hon. friend from Vancouver-Burrard, not because I have any keen and eager desire to be continuously upon my feet but because I wish to do each hon. member who makes a specific proposal the courtesy of giving him an answer. I was going to say that I would deprecate any suggestion that this should be regarded as continuing and all-time legislation. It is designed, admittedly, to meet a set of circumstances which we hope will never recur —certainly not within the lifetime of the youngest member of this house. But at the moment it would be a mistake to attempt to put on a time limit. If we were to put on a time limit which was too short we would be shutting out a number of worthy farmers who perhaps would not have the opportunity to have their cases considered. If we made it too long we would serve to aggravate the idea the hon. member has quite properly expressed, namely that it would serve to disturb conditions, and would result in affecting the credit of the farmer.

May I point out that in all probability the next session would give ample time to deal with this matter. But even assuming that the act has served its full purpose prior to the next session the remedy lies in the hands of the government, because all it has to do is to dismantle the machinery and the act cannot function. We know that unless there be official receivers, a registrar and a board of review it cannot function. For these reasons I respectfully submit the matter is one which ought to remain over at least until another session of parliament.

Mr. HANBURY: In response to the minister I should like to submit a suggestion that any farmers who are in a position where they may wish at this time or in the near future to take advantage of this legislation, could very well do so, and they will do so if there is a definite date for conclusion. But if the hope is held out to them that in a year, two years or two years and a half they may still come under this legislation they will not act at the present time. I think it would be advisable to learn now just where we stand. How many of our farmers require this relief? Instead of leaving the matter over till the next session of parliament, or leaving it with the government to take a responsibility which we feel they would never take, namely that of dismantling the machinery, I believe we might very well move an amendment to the bill so that one year from now it may be terminated, and if at the end of that time we find it necessary to renew the legislation, then I think we might do so. I believe the method I have suggested would be better than the one suggested by the minister.

The CHAIRMAN (Mr. Bury): I would remind the committee that there is nothing before the chair.

Mr. HACKETT: I believe there is some misapprehension in the mind of the hon. member for Vancouver-Burrard. A few days ago he referred to the legislation before us as class legislation. He will discover that it is equalizing legislation. The Bankruptcy Act applies to every person in Canada, with the exception of the farmer. In no province in the dominion may a farmer be put into bankruptcy. In the province of Quebec a farmer may not put himself into bankruptcy. This legislation merely places the farmer in the position occupied by the trader and the manufacturer. It gives the farmer the privilege of shedding his debts, if he cannot pay them, and places him on an equality or on an equal footing with other classes in the community. I submit it does nothing more.

The CHAIRMAN (Mr. Bury): This discussion is entirely out of order; there is nothing before the chair. Hon. members may speak on third reading, and at that time make any further observations they may choose to make. But they are out of order now.

Mr. MOTHERWELL: Mr. Chairman, I wish to ask the minister a question.

Some hon. MEMBERS: Order.

Mr. MOTHERWELL: My desire is to ask the minister one question before the bill leaves the committee. To what extent does the farmer debtor require to default in the payment of either principal or interest before he is eligible to appear before the various tribunals for redress? Must it be to the extent of defaulted interest, prinicipal, or both or either—or is there any extent?

Mr. RHODES: There is no extent.

Mr. MOTHERWELL: Well, if a debtor is behind say one year's interest he is eligible to appear?

Mr. RHODES: Yes.

The CHAIRMAN (Mr. Bury): Shall I report the bill?

Mr. FERLAND: Mr. Chairman before you report the bill. . . .

The CHAIRMAN (Mr. Bury): This is out of order.

Mr. MOTHERWELL: I do not think it is out of order.

Mr. CASGRAIN: Before the chairman reports the bill the hon. member may make his observations.

The CHAIRMAN (Mr. Bury): Once the last clause has passed there is nothing more to discuss. Hon. members may speak on third reading.

Mr. MACKENZIE (Vancouver): Not at all.

Mr. FERLAND (Translation): Mr. Chairman, before you report this bill, I simply want to move an amendment, without adding any observations on the different sections that have been adopted. I move, seconded by the hon. member for Charlevoix-Saguenay (Mr. Casgrain) that the following clause be added to the bill:

6. Section 18 of the said act is amended by adding to section 18 the following clause:
"The present act shall not apply to future debts which farmers contract after the day on which the act as amended comes into force."

The CHAIRMAN (Mr. Bury): I have to rule that the amendment is out of order. No new clause may be offered at this time. The short title has been passed.

Mr. MACKENZIE (Vancouver): I rise to a point of order. Surely while we are in committee on the bill an hon. member may move to insert a new section. I understand the hon. member has moved in that way, and I submit he is in order to do so, before the bill is reported. I believe the minister would agree with me.

The CHAIRMAN (Mr. Bury): My understanding of the rule is that no amendment proposing a new clause can be made after the last clause of the bill and the short title have been agreed to. At that time there is nothing left in the bill upon which discussion could take place.

Mr. CASGRAIN: What is your basis for such a decision?

Mr. MOTHERWELL: I never heard of it

Mr. CASGRAIN: Neither did I.

Mr. POWER: When was the short title carried?

The CHAIRMAN (Mr. Bury): The short title was carried and signed at the last meeting of the committee.

[Mr. Ferland.]

Mr. POWER: Well then, what has the chairman been allowing us to discuss for the last hour?

The CHAIRMAN (Mr. Bury? It should not have been allowed.

Mr. POWER: If the chairman has been so magnanimous to others I can see no reason why he should not extend the same generosity and courtesy to the hon. member moving the amendment.

The CHAIRMAN (Mr. Bury): The chairman was magnanimous because the discussion began towards the close of the last sitting of the committee.

Mr. POWER: With all due respect to the chairman—and I should not like to be disrespectful—I submit that is hardly a justification for having allowed the discussion to carry on all afternoon. If the hon. member for Joliette wishes at this time to move an additional clause to the bill I can see no reason why he should be precluded from doing so.

Mr. FERLAND (Translation): Mr. Chairman, I understand that by unanimous consent the house is sitting in committee to consider part of Bill No. 10. So, if we are authorized by unanimous consent to consider the bill, I fail to see why I should not be permitted to move an amendment thereto.

Mr. RHODES: I have been relying upon the ruling of the chair, because without consulting authorities I do not feel competent to express an opinion as to whether or not the ruling is correct. I have no doubt, however, that it must be because he has the authority before him. Whether or not a correct ruling has been made I submit to the hon. member moving the amendment that I ought at least to have had extended to me the courtesy of being supplied with a copy. I do not know what the amendment contains.

The CHAIRMAN (Mr. Bury): If it is the will of the committee the amendment may be moved. Is it the will of the committee that the hon. member have leave to move the amendment?

Mr. GARLAND (Bow River): In my opinion, Mr. Chairman, he does not require the leave of the committee to introduce his amendment. That is an absurdity because at any stage of the proceedings on any bill any hon. member has the right to move any amendment to it. It is really reducing the

rules to utter ridiculousness if we are going to submit to this sort of ruling. It will simply mean that the amendment will be moved on the third reading. So neither the house nor the committee nor the chairman is going to get anywhere by making rulings of this sort.

The CHAIRMAN (Mr. Bury): Apparently it is the will of the committee that the hon. gentleman should proceed.

Mr. FERLAND (Translation): Mr. Chairman, the main reason for which I have decided to bring forth this amendment is that it was shown in this house that the bill presently under discussion amending the Farmers' Creditors Arrangement Act, while liable to do a great deal of good to many farmers who will be able to avail themselves of this measure, will also greatly prejudice the farming class, which, on account of this legislation, will lose a considerable part of their credit. The object of my amendment is to prevent this measure from being applied to debts incurred by the farmers after its adoption. I do not see why future debts should be included in this bill.

The farmer's credit is practically gone; it has been eliminated by various circumstances. First, it has been cut down since a few years, because of the lack of a market for farm products. It was also considerably imperilled by this Farmers' Creditors Arrangement Act, passed by the dominion parliament at its last session. I understand that under the bill that we are now discussing a board of review can compel the creditors to accept a reduction of debts, as regards principal, and interest as well. Farmers owe presently considerable amounts and, in my estimation, we should make this legislation applicable only to present debts and not to future obligations. Undoubtedly the farmers, on account of this federal legislation, will be unable to get further credit. I cannot blame a rentier or a small money lender for refusing a loan to farmers under such conditions, because a board of review may always interfere and make him lose part of his loan or force upon him some very prejudicial arrangement.

The debts with which farms are now burdened are of enormous proportions. According to a report laid before this house there are in Canada 728,623 farm owners or tenants, 583,706 of whom own their land. There are 126,120 in the province of Quebec, 156,678 in Ontario, 37,769 in Manitoba, 90,250 in Saskatchewan, 70,751 in Alberta and 21,211 in British Columbia.

Now if we consider the total debt on farm lands, we see that these farms are mortgaged for an amount of $726,026,500. Farm lands in the province of Quebec are mortgaged for an amount of $98,121,500, and those of Ontario for an amount of $210,315,900.

The farmers of Saskatchewan have incurred debts to the amount of $196,558,300 while those of Alberta have reached a total of $120,061,100, and the farm mortgages in Manitoba, a total of $67,157,500.

Now if we examine the municipal assessment on farms in this country, we find that a total of $8,791,349,010 is reached. In Quebec, the total assessment is $2,269,148,711 and in Ontario, $3,207,396,156. We find, that the number of agriculturists is comparatively low in relation to the total population of this dominion. It is easy to realize that our country, which should be mostly agricultural, has perhaps become over-industrialized. It is apparent that the population of this country has left the farm for the great industrial centres. Probably this lack of proportion between our rural and our industrial or commercial population is the cause of most of our difficulties.

Mr. Chairman, to help the farmer, the government has seen fit to adopt this Farmers' Creditors Arrangement Act. Whoever thinks that this legislation is going to cost the government a great deal is wrong; in fact, the government will have nothing to pay. The cost of this aid to a restricted number of farmers will fall back on the small rentiers, the small money lenders or on the farmers who have sold their farms. As has been stated in this house very few farmers will profit by the act.

Mr. SAUVE (Translation): Is the hon. member for or against the act?

Mr. DUPUIS (Translation): Ask the hon. minister's opinion.

Mr. SAUVE (Translation): I do not want an answer from the hon. member for Laprairie-Napierville (Mr. Dupuis) but from the hon. member for Joliette (Mr. Ferland).

Mr. FERLAND (Translation): I do not want the Postmaster General (Mr. Sauvé) to question me; if he would be kind enough to listen to me, he will know whether I am for or against this law.

Mr. DUPUIS (Translation): Could the Postmaster General state his opinion?

Mr. SAUVE (Translation): Do not go beyond your wit.

Mr. FERLAND (Translation): I am in favour of extending to the farmers all the aid

possible, but before approving a bill of this importance we should study it and, if necessary, amend or modify it.

Both the act under discussion and the Canadian Farm Loan Act which has also been amended during the present session are twins, if I may say so.

Mr. DUPUIS (Translation): They are children of the same family who are bound to devour each other.

Mr. FERLAND (Translation): The Canadian Farm Loan Act puts about 90 millions of dollars at the disposal of our farming community. Don't let the farmers believe for one moment that all of them will benefit by that act, because, considering the enormous amount of farmers' debts or mortgages, as I have been showing, a relatively small number of farmers will be in a position to avail themselves of the Canadian Farm Loan Act.

The last named measure cannot be injurious to anybody, and it is a good point for it. It will be of assistance to those who will have the chance to avail themselves of its provisions, but I am quite sure it will not harm anybody. The same thing might be said of the Moratorium Act passed in the province of Quebec by the Taschereau government. One thing is sure, and that is that nobody has suffered any harm from it so far and that it has helped a great number of debtors. However, may I add, the Quebec moratorium measure has not gone far enough. Under that act, when a mortgagor is in a position to prove that he has paid his interest, whatever the interest may be, and also his taxes, except for the current year, he may avail himself of that act, but for only one year. To my mind, the act ought to go much farther and apply also to persons who are indebted in the ordinary way. There would be no inconvenience if the moratorium measure, in the province of Quebec, did not make any distinction between a mortgage and an ordinary debt, because experience had shown to me that, very often, a mortgagee will grant a delay to his debtor, whereas the ordinary creditor will have the mortgaged property sold. If I may offer a suggestion, I would say that the Moratorium Act, which I think has been wrongly criticized, might go much further and enact that a debtor who had been paying even a smaller rate of interest than was specified in his contract, say 3 or 4 per cent, could avail himself of that act.

As for the Canadian Farm Loan Act, the Minister of Finance (Mr. Rhodes) is painting it in very rosy colours. I am glad to say that the act will give relief to a number of farmers, but it will not save the farming community in general.

The Farm Loan Act is, so to speak, a beautiful golden chest containing a fortune of ninety million dollars. The bad side of the act—I do not know whether it can be corrected in that respect—is that the government keeps the key of this chest filled with gold. Under this act, the commission will be able to frame regulations, approved by order in council, and to fix the basis of valuation of the land and the farm buildings. That is the key of the Farm Loan Act. The act does not rest, therefore, on fixed and definite principles destined to guide the farmer belonging to one class or another, but opens the door to arbitrary action and to the essentially variable judgments of the members and representatives of the Canadian farm loan board, who, of course, will be appointees of the dominion government. It is therefore the key—

Mr. SAUVE (Translation): It is the control key.

Mr. FERLAND (Translation): The control key! Were the act to be administered in the proper spirit, with breadth of view and generosity, taking into account not only the actual value of the farms at to-day's prices, but rather their intrinsic value based on the moral character of their owners, I would say that it is capable of giving satisfactory results. Of course, the future will tell us in what spirit it will have been administered, but it is far from certain that it will not be administered, as many acts of the present government have been, in a spirit of political partisanship.

The Farm Loan Act has been in force prior to this session's amendments. We find that, since this government assumed office, 3,330 farmers from all parts of the country have taken advantage of its provisions and have borrowed a total of $7,347,600. I see that farmers of the province of Quebec have borrowed $2,977,300 under the act, although the farm mortgages in force in that province total $98,121,500. This means that, in Quebec, as in the other provinces, the Canadian Farm Loan Act has been of practically no advantage to the community.

Will the new Farm Loan Act operate to better advantage? All we know is that a larger sum has been placed at the disposal of the farmers. However, when I consider that the amount made available under the old act has not been fully used, since, out

of $15,000,000, $7,347,600 only have been loaned over a period of four or five years, I doubt very much whether, even with this chest of 90 million dollars, the farmers will be greatly aided if the delays of the past are to recur.

Through my amendment the act would not apply to the future liabilities of the farmers. I wonder if any man familiar with the farmers' problems may logically and reasonably oppose the suggestion I make to the house. Why on account of this act should the farmer be unable in the future to borrow a few thousand dollars or a smaller amount? Why leave the lender open to the risks resulting from the act such as it appears in the statutes?

It is absolutely true and undeniable, I submit, that the Farmers' Creditors Arrangement Act deals a fatal blow to agricultural credit. If it is necessary to-day on account of the extraordinary situation of the farmers, it is because they are completely ruined, because their credit is destroyed, because the farming class is in a general state of distress and because the government does not deem proper to leave them at the mercy of their creditors and, in a large number of cases open to eviction from their farms. But I submit that if this measure be necessary, it is on account of the bad policies of the government, of the high tariffs, which protected industry alone and in aiming to protect industry brought trade, industry and agriculture to the threshold of bankruptcy. At least let us not legislate in such a way as to completely destroy whatever credit the farmer may still enjoy in the future. Let us confine ourselves to the present, for before long the people may regain their former confidence and more easily recover the credit they enjoyed in the past and thereby solve their own problems under more favourable conditions. But we will not succeed, if by means of this measure we empower a board of review to reduce the amount of future debts. To my mind, the government should confine themselves to the present situation and to the winding up of their general failure in the country.

What will happen, if my amendment does not carry?

Mr. DUPUIS (Translation): It will be carried.

Mr. FERLAND (Translation): The time will come when it will be impossible for any farmer to borrow money again. May I quote a few cases? In my own constituency of Joliette there are quite a number of farmers, industrious and hard workers, who have been successful in preserving the property inherited from their ancestors and who have managed to improve the same and also raised large and fine families. During the last few weeks, I noticed—for I visit my constituency every week—that the wealthier farmers, even those who have no visible debts or mortgages on their farms, are not even able to borrow any amount ranging from a thousand to two thousand dollars should they wish to help a relative or an intimate friend.

Only yesterday, one of the wealthiest farmers in the parish of St. Thomas de Joliette, called on me at my office in Joliette with the sum of seven hundred dollars as payment on account on a principal of a thousand dollars, after having requested an extension of time. I was compelled to agree to a further delay of a few days in which to raise the amount he required for the payment of a debt.

Another farmer from the parish of Ste-Elisabeth, who is free from any debts, vainly seeks to borrow a sum of a thousand dollars for a pressing need. It is unnecessary for me to mention any more such cases. Is it not a recognized fact that the farmer's credit is destroyed and completely gone? Everyone merely guesses and surmises at the causes which have ruined the farmers' credit. Honourable members sitting on the right side of Mr. Speaker are taking to task the Hon. Mr. Taschereau for having caused a moratorium act to be passed; he is accused of having destroyed the farmers' credit. However, the moratorium act in the province of Quebec does not deal at all with the capital nor the interest. On the contrary, it serves to protect those who lend money and compels the borrowers to pay their taxes, their interest and their insurance premiums, in order to secure any time extension.

On the other hand, some say that the legislation now before us is responsible for the farmers having lost their credit. In my judgment, the two main causes of this state of affairs are the selling at a loss of farm products, and in the second place, the legislation now before us. As I stated at the outset of my remarks, this legislation will prove beneficial, in particular cases, to a number of the farming community, but, as far as the farmers' credit is concerned, it will be harmful to the farmers generally. Then, would it not be wise, for the hon. members, to consider that no valid reason exists for doing anything likely to affect the farmers' credit in the future? If the farmers are so near ruination that it has become necessary to pass legislation of this kind, which directly

affects the citizens' rights and the creditors' privileges, I submit, on the other hand, there is no reason why it should apply to future debts. Should at any time circumstances show that such legislation has become a necessity, there would always be ample time to consider the opportunity of passing it, inasmuch as parliament meets at least once a year. Therefore, Mr. Chairman, I move, seconded by the hon. member for Charlevoix-Saguenay, that my amendment be adopted.

Mr. RHODES: My hon. friend from Joliette has submitted his amendment in French and I regret that I have not a sufficient knowledge of that language to give a literal translation of his remarks, much less to enable me to reply to him in the same tongue. As I understand it, in layman's language, he seeks by this amendment to make it clear that the Farmers' Creditors Arrangement Act is not applicable to those obligations incurred by the farmer after the present bill is assented to. With respect to the principle that he has in mind, I am inclined to agree with him; at all events it is a fair subject of discussion, although I raise this question as to whether that amendment is designed to be of advantage to the farmer. It is an arguable question whether that is so or not. But it does seems to me that the main point is covered by the circumstance that this act will in the nature of things not be a continuing act; next session or the session following it may be repealed. It will apply only for such length of time as its usefulness is apparent. But I could hardly conceive of a case, even if this amendment were not passed, where a fresh borrowing could be the subject of adjudication under the Farmers' Creditors Arrangement Act. And when I say a fresh borrowing, I cannot conceive of an instance where a farmer, within two or three years after entering into contractual obligations, could present a set of altered circumstances that would enable him to go either before the official receiver or before the board of review.

Mr. DUPUIS: Why not?

Mr. RHODES: Well, to do so would be prima facie evidence of bad faith; I should say that would be a fair inference, because the obligation would be incurred under conditions which we have every reason to assume will not be worse. The probabilities are that they will be better, and if the farmer finds himself in two or three years' time in the position suggested, assuming that the Farmers' Creditors Arrangement Act were in operation for that length of time, then I should say the inference was that he had not disclosed circumstances which he ought to have made known in incurring the obligation in the first instance. That however is a matter that need not be laboured. If it is the sense of the committee that an amendment of this kind should be inserted, so far as I am concerned I have no objection.

Mr. HANBURY: Will the chairman please read the amendment in English.

The CHAIRMAN (Mr. Bury): Mr. Ferland moves that the following clause be added:

6. Section 18 of the said act is amended by adding to section 18 the following clause:
"The present act shall not apply to future debts which farmers contract after the day on which the act as amended comes into force."

Mr. HANBURY: With reference to the remarks made by the Minister of Finance, I might point out to him that this amendment covers future debts. One of the points of this legislation that is worrying me is that if a farmer acting in the best of faith goes to his merchant desirous of buying $50 or $75 worth of goods, there is to-day no basis whereby the merchant can give him credit, because if he does, to-morrow or six months hence the farmer can go under the debt adjustment act and there is therefore no basis at all for credit. I suggest to the minister that this is an amendment that should receive the concurrence of the committee. I believe it is designed to help out those whom we are trying to help by the Farmers' Creditors Arrangement Act, and I really think it should be given very serious consideration before the government refuses it.

Mr. HACKETT: The hon. member for Vancouver-Burrard refers to the act as if anybody can invoke its protection to suit his whim. I do not think the act was designed for that purpose or has been administered to that end. It is merely a bankruptcy act for the farmer without the cost or the delay which characterize bankruptcy proceedings. When the hon. gentleman speaks of a farmer who might go to his grocer and might not receive credit because he could have recourse to this act, my hon. friend is entirely overlooking the fact that every hon. member is in exactly the same position. Every citizen of Canada, the farmers excepted, has access to the Bankruptcy Act. I do not think the hon. gentleman wishes to insinuate that the farming class is dishonest or any more dishonest than any other class and would attempt to evade its responsibilities by appealing to the protection of this

act. After all the act is applied by people who are honest, competent and able, and a person may not merely go to the official receiver and say: I want the protection of this act. No; he has to go with a statement of his assets and liabilities. After they have been examined and scrutinized most carefully, then the official receiver calls in all the creditors, and after a lengthy debate in which all parties are heard, it is decided whether there is any reason to apply the act. I can assure the hon. gentleman that so far the fears which he expresses have not found their way into the experience of anybody who has had to do with the act.

The hon. member for Joliette went rather far afield. He told the committee that the farmer was in a difficult situation because of the activities of this government.

Mr. DUPUIS: Lack of activity.

Mr. HACKETT: He went on to say how hard was the position of the farmer because he had lost his market. I do not wish to traverse ground which has been gone over so often. I do not think anybody who has graduated from the kindergarten of politics will tarry very long with that statement. Everybody knows not a single trade barrier has been raised against this country since the present government came into office. I am not attempting for a moment to insinuate or suggest—and even if I so wished, this is not the time to do it—that the attitude of the late government may have had something to do with the attitude of other countries toward us, but we must all admit that no market in which agricultural products have been sold has been closed to this country during this government's tenure of office. In fact our markets for agricultural products have been enlarged and vastly enlarged since the government came into office, and hon. gentlemen know that as well as I do.

Mr. BRADETTE: Forty cents for butter.

Mr. HACKETT: That is about as near as my hon. friend can come to understanding what a market means. I can tell the hon. gentleman, since he refers to butter, that the last year his party was in office 40,000,000 pounds of foreign butter were brought into this country, whereas now the Canadian farmer supplies our market.

Let us take up for a moment the second suggestion of the hon. member for Joliette. He has suggested that the farmer has lost his credit and told us that he lost it some time ago. Then he attributes this loss of credit to the passing of this act a few months ago. Then he asks that this act for which he voted should be amended in order to prevent loss of credit by the farmer. I fail to follow his logic. The farmer may not have as much credit as he wishes, but this act is devised to rehabilitate the farmer; I think the farmer will be the first to acknowledge that the act has not caused loss of credit as the hon. member for Joliette has suggested. I do not think anybody is under the delusion that this act has brought loss to anybody. It was designed to do away with the confusion which has resulted from losses already made and to clear away the debris and give the farmer a chance to begin over again, to give him the opportunity that every other class of our population has by recourse to the Bankruptcy Act.

I have no particular objection to the amendment, but I think it is unfair to the farming class. Why should the farmer who has met with some great disaster, some great calamity, be shackled to the ball and chain of debt for the rest of his life while others are able to shake themselves free? I grant that my hon. friend is desirous of helping the agriculturist; I think everybody in this house is desirous of doing that. The fable tells of a bear that loved his master greatly. One day the master fell asleep and a fly perched on his nose. The bear to kill the fly dropped a stone of great weight on his master's face. I fear that my hon. friend, in his misplaced ardour, is about to render that kind of doubtful service to the farmers. I ask him to reconsider the amendment he has brought forward. If I thought that by any possibility it could be of assistance to the farmer I would support it heartily, regardless of the corner of the chamber from which it comes, because I think that we are all desirous of helping the farmer in this most critical period of his economic life. But I cannot understand how legislation that would deny the farmer privileges that every other class enjoys would be of help to him. Has the Bankruptcy Act injured the credit of the honest trader, of the honest financier, of the honest merchant, of the honest professional man? I do not think it has. Why should this act, which is the Bankruptcy Act modified only to the extent that the cost does not fall upon the estate of those who have recourse to it, be a hardship to those whose lot it seeks to alleviate? I suggest that this is a beneficent act and cannot hurt the farmer in any way. The suggestion which the hon. gentleman made that the farmer is dishonest and is going to seek refuge from payment of his debt—

Mr. DUPUIS: Who said that?

Mr. HACKETT: My hon. friend suggested that everyone was going to seek refuge under this act, whether entitled to it or not.

Mr. FERLAND: Mr. Chairman, on a point of order and privilege—

Mr. FERLAND (Translation): Mr. Chairman, I rise to a question of privilege. I have never said nor suggested that all the farmers would have recourse to this act, nor that they were all dishonest. I ask the hon. member for Stanstead (Mr. Hackett) to withdraw the words he has just uttered to that effect.

Mr. HACKETT (Translation): If the hon. member had followed the discussion, he would know that his friend, at his side, said exactly what he has just denied himself, and that the hon. member for Vancouver-Burrard (Mr. Hanbury) stated that no farmer would be able to obtain credit from a merchant—

Some Hon. MEMBERS (Translation): That is not true!

Mr. HACKETT (Translation): —because the day after or six months later he might take advantage of this act.

Some hon. MEMBERS (Translation): That is not true! That is not true!

Mr. HACKETT: This act, Mr. Chairman, is far too serious to be trifled with. The underlying principle of it was carefully examined by this house as a whole only a few months ago, when every hon. gentleman opposite gave it unqualified and unanimous support. Unless it has been found unfair and prejudicial in its workings, unless hon. gentlemen can point out some abuses to justify the amendment, I fail to understand why the farmer should be denied the full benefit of this act, why the act should be truncated and mutilated at this stage just as it begins to function.

Mr. DUPUIS: I have a few words to say again on this matter. I should not, had not my hon. friend from Quebec West, the Solicitor General (Mr. Dupré) done me the honour to mention my name.

Mr. POWER: In praise.

Mr. DUPUIS: May I fancy that it was in praise? I suspect it was not.

I shall answer the hon. member for Stanstead (Mr. Hackett) first. He said in answer to the hon. member for Joliette (Mr. Ferland) that it was not true that this country, and especially the farmers, were in a state of starvation and therefore had to seek the advantage of this legislation. He suggested that the farmers were happy and prosperous and their purses filled with money. That was the trend of his remarks. Further he said that since this government have been in power nothing has been done to injure the prosperity of the farmer. No tariff was raised, he said. I dislike to contradict so distinguished a member, but for the sake of truth I must do so. What about potatoes? They are important in the eastern townships as well as in Laprairie-Napierville.

Mr. HANBURY: And lumber.

Mr. DUPUIS: I might paraphrase the Scriptures and say that man does not live by potatoes alone, yet they are important. The tariff on potatoes has been raised to 75 cents per 80 pound bag by the Bennett government since 1930. If the hon. member for Dorchester (Mr. Gagnon) or the hon. member for Compton (Mr. Gobeil) who is now laughing while his electors are starving—

Mr. GAGNON: Mr. Chairman, on a point of order.

Mr. DUPUIS: Laughing and spending their time—

The CHAIRMAN (Mr. Bury): Order. The hon. gentleman raises a point of order.

Mr. GAGNON: The hon. member stated that I was laughing.

Mr. DUPUIS: No, I do not believe the hon. gentleman is capable of laughing.

Mr. GAGNON: And he drew the conclusion that I was laughing at the plight of the farmers. I assert most emphatically that at no time since the hon. gentleman began to speak have I laughed.

Mr. MERCIER (St. Henri): That is true.

Mr. POULIOT: He should cry about the sins of the government.

Mr. DUPUIS: Mr. Chairman, I accept the assertion of my good friend from Dorchester. I do not believe he is able to laugh anyhow. But I did not mention him, I was speaking about the hon. member for Compton.

Mr. GOBEIL: He laughs once in a while at you.

Mr. DUPUIS: And it is very proper that he should do so now, because it is his last chance.

Mr. GOBEIL: Wait and see.

Mr. DUPUIS: So if we can leave Compton and come back to our potatoes, which are more important.

Mr. GOBEIL: More to the point.

Mr. DUPUIS: Yes, a very important point, and the point on which the hon. member will trip and fall.

Mr. MERCIER (St. Henri): Stick to the potatoes.

Mr. DUPUIS: A single potato will be enough for him to fall over. The tariff on potatoes was raised by this present government.

Mr. GOBEIL: And on something else too.

An hon. MEMBER: When?

Mr. DUPUIS: From 1930 to date. I have not the date in my mind but I defy anyone to your right, Mr. Chairman, to say it is not true. Before 1930 the tariff was 50 cents a bag and it is now 75 cents.

Mr. HACKETT: Who raised the tariff?

Mr. DUPUIS: The Prime Minister, because the hon. gentleman had nothing to do with it nor had any other minister of the crown. With all the respect I have for them, they are not responsible; it is only the Prime Minister who has done it.

Mr. STANLEY: Mr. Chairman, I rise to a question of privilege.

Mr. MERCIER (St. Henri): There is no privilege on potatoes.

Mr. STANLEY: The hon. member has stated that since the present government came into power the tariff on potatoes was raised from 50 to 75 cents a bag. That statement is entirely and absolutely incorrect, and I want to correct the hon. gentleman.

Mr. DUPUIS: Is that a question of privilege, Mr. Chairman? The hon. member will have his turn later, if he is still in the house.

Mr. GOBEIL: Answer the question.

Mr. DUPUIS: I reaffirm my statement, and I defy any hon. member opposite to contradict it. The tariff was increased from 50 to 70 cents on an eighty-pound bag, after 1930.

Mr. MACDONALD (Kings): In 1929.

Mr. MYERS: By the Dunning budget.

Mr. DUPUIS: If potatoes hurt hon. gentlemen opposite so much I will give them barbed wire. What about barbed wire?

Mr. SPENCE: If you know as little about it as you do about potatoes you had better quit.

Mr. DUPUIS: Mr. Chairman, I have to admit that I am a little disturbed by hon. members to your right, but nevertheless I will proceed to answer my good friend from Stanstead. There was a tariff increase of 25 per cent on barbed wire.

The CHAIRMAN (Mr. Bury): I would ask the hon. member to confine his remarks to the proposed amendment.

Mr. DUPUIS: If you were in my place, Mr. Chairman, and an opponent told you the tariff was not raised and that this government did not bring about the situation of the farmers, I suppose you would try to answer such arguments if, in your own mind, you believed they were not correct. That is what I am doing.

The CHAIRMAN (Mr. Bury): The hon. gentleman knows that has nothing to do with this amendment.

Mr. IRVINE: I rise to a point of order, Mr. Chairman. We in this corner have been ruled out of order a number of times to-day, I presume quite properly. Certainly the discussion that is going on now is further away from this bill than anything that came from this corner of the house.

Mr. RHODES: May I respectfully suggest to the committee that we have covered a very wide field. Personally I do not object, but I do submit to hon. gentlemen that it would be ill advised to precipitate a prolonged budget debate on an amendment moved at the conclusion of the consideration of a bill which has been before the house for several days, especially in view of the circumstance that we will have a budget debate when ample opportunity will be given hon. gentlemen to thresh out these and other questions affecting the tariff to their hearts' content. I hope hon. gentlemen will not for one moment suggest that I am lecturing the committee, but in these circumstances I think we might confine our remarks to this bill and leave the budget debate to a subsequent date.

If I may be permitted to say another word, so far as this amendment is concerned I have a completely open mind. If it is the wish of the committee that an amendment in this sense should be added I have no objection; I am quite content that it should be left to the judgment of the committee. As I indicated a while ago I do not believe it would matter very much one way or the other, because the whole question of the time for which this act will operate will have to be determined. But if in the judgment of the committee it is thought desirable to add an amendment in this sense, I shall be quite content. I have

only one observation to make in that respect, that if it is decided to amend the bill in this way I think the wording of the amendment would have to be altered, because it is not phrased in the best possible way. If in the judgment of the committee the amendment should not be accepted well and good; if it is then I would ask that it be reworded.

Mr. HANBURY: Mr. Chairman, I wish to make a few remarks in regard to the observations of the hon. member for Stanstead, who I may say has a very convincing argument in connection with this legislation. I wish to point out to him, however, that a farmer's credit is not always something the farmer can regulate. At the present time of necessity the farmers must go to the merchants in the towns throughout Canada in order to get the necessities of life to carry them over until such time as they have something to sell. The farmers buy from retail merchants who in turn must buy from wholesale merchants, and the banks come into the picture through the credit they extend to wholesale and retail merchants. Rightly or wrongly in Canada to-day there is the feeling that as a result of legislation, both provincial and federal, the farmer has not the credit which he should have, and I am referring to the good farmer as well as the bad. I think it would be in the interests of the farmer himself if this amendment were passed, because it would be an indication that the good farmer was able to give the protection which his credit justified. I can see no harm in the amendment; on the contrary I can see much good in it.

The hon. member for Stanstead, inadvertently I am sure, stated that I had said this was class legislation. I never made that statement. I did say so in connection with the farm loan bill but not in connection with this measure. I just make that correction so that the hon. member for Stanstead need not take the trouble to go through his Hansard to check me up.

I wish to make only one further remark in reply to the hon. member for Stanstead, with all due respect to the ruling of the chair. The hon. member for Stanstead stated that no tariffs were raised during the life of this government against the farmers of Canada. I would refer him particularly to the duty on lumber going into the United States.

Mr. HACKETT: Is that a farm product?

The CHAIRMAN (Mr. Bury): All those in favour of the amendment will please say aye.

Some hon. MEMBERS: Aye.

[Mr. Rhodes.]

The CHAIRMAN (Mr. Bury): Those opposed will please say nay.

Some hon. MEMBERS: Nay.

The CHAIRMAN (Mr. Bury): Does the committee wish to vote?

Mr. SPENCER: Mr. Chairman, we cannot hear your ruling.

Mr. MERCIER (St. Henri): I understood that the amendment was accepted.

Mr. RHODES: I said that so far as I was concerned it was in the hands of the committee as to whether it would or would not accept the amendment, and that if the amendment should be accepted it would have to be reworded. If it is rejected we need not consider the wording.

Mr. FERLAND: What is the personal view of the Minister of Finance?

Mr. RHODES: I have already expressed my view, I may say to my hon. friend. I do not believe it really matters. I would not say this amendment was surplusage, but I do not think it would have any effect in connection with the obligations hereafter incurred because the Farmers' Creditors Arrangement Act will have passed out of existence, I have every right to assume, before any obligations would be considered which have been incurred recently.

Mr. IRVINE: I understand that you have taken the vote Mr. Chairman, but hon. members are going to discuss the question.

Some hon. MEMBERS: Question.

Mr. ANDERSON (Halton): What is the amendment?

Amendment negatived: yeas, 15; nays, 45.

Mr. POWER: I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted I would have voted for the amendment.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted I would have voted for the amendment.

Mr. CAMPBELL: I was paired with the hon. member for Prince Edward-Lennox (Mr. Weese). Had I voted I would have voted for the amendment.

Mr. RINFRET: I understood the minister left the matter to the decision of the committee. I believe I am paired with the Secretary of State, but I voted, because I thought I was allowed to. I should like to

make an explanation. I hope I did not display to the Secretary of State any lack of courtesy.

Mr. MACKENZIE (Vancouver): No pairs.

Bill reported, read the third time and passed.

MEAT AND CANNED FOODS ACT

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Meat and Canned Foods Act to provide that the governor in council may from time to time prescribe a tariff of fees that shall be charged for the inspection of canned fish and shell fish.

Motion agreed to and the house went into committee, Mr. MacDonald (Cape Breton) in the chair.

Mr. MACKENZIE (Vancouver): Explain.

Hon. GROTE STIRLING (Acting Minister of Fisheries): Mr. Chairman, the sole purpose of the amendment is to regularize what has been done in recent years with regard to fees. Perhaps I should read the explanatory note in the bill.

Section 4 of the Meat and Canned Foods Act authorizes the governor in council to make such orders and regulations not inconsistent with the provisions of the act as seem necessary for carrying out its provisions. Section 18 of the act authorizes regulations for the inspection of canned fish and shell fish. By order in council of April 4, 1932, regulations for the inspection of all canned salmon packed in British Columbia were adopted. Section 20 of these regulations provides for a fee for inspection at the rate of one per cent per case. The fee is a reasonable one, and at present covers only the cost of inspection. No difficulty has arisen in the collection of the fee, but there is room for doubt as to whether, in the absence of a specific statutory provision, it can be legally required. As fees paid in the past are not recoverable, the amendment does not need to be retroactive.

There is no question but that the act gives the minister power to grant licences, but the question has been raised as to whether or not the governor in council by regulation may prescribe a tariff of fees. It is to insert such provision in the act that the amendment is suggested.

Mr. NEILL: I believe the last remarks of the minister apply to the next resolution on the order paper. We are not dealing with the resolution concerning the tariff on licences.

Mr. STIRLING: We are dealing with the amendment to the Meat and Canned Foods Act.

Mr. NEILL: Yes. I believe in some measure I am subject to blame, or to credit, for this resolution being brought forward, and for the legislation which may be based upon it. In 1932, when the government introduced a most elaborate system of inspection of canned salmon, a system far different from that which had previously existed, I protested not against the principle of the inspection of fish, which was very necessary, but against the method by which the inspectors were selected, and also the way in which the charges were made.

That my objections had some weight is borne out by the fact that only a few months later it was necessary substantially to amend the regulations, and the same procedure was followed in the next year. One of my objections was that I thought it was not fair or just, and hardly legal, that the canners should be picked out and compelled by regulation to pay what really amounts to a very large sum for the inspection of their product. I shall deal with that point later on. At the end of the session I took up the question of the legality of the measure, and stressed the argument that the government had no authority to impose substantial taxation—because that is what it amounts to—on any one industry, by means of regulations made in pursuance of a modest and obscure section in an act giving the government power to make regulations for the purpose of carrying out the provisions of the act. Certainly the government has power to make regulations for carrying out the provisions of the act, but they have no power by regulation to make a totally different law. They might as well put something about customs duties in it—in fact in one instance I believe they did—or make a regulation compelling people to be cremated.

That my views have prevailed is evidenced by the fact that the present legislation is before us. I wish to take advantage of the opportunity now afforded to deal with the matter of charges levied against the canners. The Meat and Canned Foods Act is general, and the provisions are such that they apply to the inspection of any product. The act provides that commodities shall not be sold unless they are inspected, and that they must be sound, wholesome, and so on. These are sections of a general character. Then regulations are made dealing with products such as vegetables and preserved fruits, and there are further regulations dealing with fish.

I notice that in the canned foods act the section dealing with the inspection of pre-

served fruits and vegetables lays down that the inspector shall be appointed by the government and, inferentially at least, be paid by the government, and we do know that he is paid by the government. The act calls attention to various things. The inspector has to visit the cannery, notice the sanitary arrangements and so on, see that the fruit shall be wholesome, but his inspection is devoted largely to this point: He has to go there and see the operations of the cannery, see that the conditions are cleanly and that the fruit is wholesome, that any dyes that are used are sound and wholesome, and then he gives a certificate. Any stuff that is exported carries this certificate by the inspector:

I have examined ... containers or packages—

I ask the house to notice that; he can examine as many or as few packages as he likes.

I have examined .... containers or packages taken from various parts of the shipment, and judging by the markings thereon I would consider said packages and containers were marked to meet the requirements of the "Meat and Canned Foods Act," and the regulations made thereunder.

That is quite all right, but is that the principle embodied in this resolution? Not at all. In the case of meat and butter and vegetables and so on, the inspector is paid by the government. He goes and inspects a carcass of beef. He does not have to cut off a chunk of the beef to inspect it. He can see its condition. But in the inspection of canned goods it is quite different. But there is no provision in the act where it deals with fruit saying how many cans the inspector must open. The whole purpose of the regulations and of the act is that the inspection shall be of the stuff while it is being manufactured. The inspector does not sit down and wait until the stuff is all put in cans and then come around, as they do with fish, and confiscate a comparatively large proportion of the product. The inspector simply bases his decision in the case of fruit on what he sees in his inspection of the cannery, and if necessary he has the power to take one or two cans and open them, but there is no compulsion on him at all to open any particular number of cans, nor is there in the case of meats packed in the packing houses.

But let us look at the picture that is now proposed, and that has been in force three years in connection with the unhappy salmon canners. First of all the canner has to pay for everything, and he has to pay for the inspection of his product in two ways. He pays through the nose. He begins by paying one cent a case. Now the ordinary large canning company will pack 100,000 cases of salmon, and at one cent a case that means a charge of $1,000. They call it an inspection fee. That sounds very nice, just an inspection fee. It sounds like something you carry around in your pocket, but it is $1,000. Does the beef man and the fruit man have to pay $1,000 for his inspection? Not a bit. Then why should the cannery man?

There is a further tax, and a quite substantial one. The last order in council—they have been varied a good many times—prescribes, I don't know why—it is not the case with fruit and other stuff—exactly how many cases are to be drawn out of a given number, and one tin has to be taken out of each one of those cases and opened, and of course it is lost. Who pays for that? Again it is the canner. But the man with a side of beef does not have to lose anything on his beef if it passes muster. But the poor canner loses every tin that is opened. In the case of other produce the inspector might open certain tins and then be inclined to say, "This shipment was all put up on the same day or the same two or three days, and I assume the rest is of the same quality." But he cannot do that when he inspects canned fish. It is fixed by the regulations that he must open so many cases and take out of each case one tin, and of course each tin opened is lost, and that is all done at the expense of the canner. One would suppose that it would be enough to make him lose that without making him pay in addition $1,000 for the privilege of that inspection.

Then there are different classes, and you do not have to draw so many cases in the higher classes. You have to take eighteen cases out of every hundred cases and draw one tin out of each of those eighteen. That will carry you up to 500 cases. I notice that as usual the greater expense is put on the small man. The small man would probably not draw out more than 100 cases of salmon at a time but eighteen cases have to be drawn out of the 100 cases, and as I say every one of those cases has to be opened and a tin taken out. Now, in the case of a pack of 100,000 cases, eighteen cases out of 100 would mean taking out 18,000 cases, out of each of which a tin has to be taken. That means that another tin has to be put in and the case nailed up again. That costs something. If you take the other extreme of the class, which runs from 101 to 500, if you get 500 cases inspected at one time they have to take only the same number, eighteen out of 500. That would be 3,600 cases which would have to be opened

and a tin taken out of each. Now as to costs —I am speaking of the more valuable grade of sockeye salmon. The loss on these tins would amount to 375 cases or something like $5,600 through the loss of the tins opened, in the case of the lower regulation, and the inspector has no discretion at all. He has got to open a case and take out that tin and throw the contents away, one tin out of each case. On the other hand, under the higher regulation, he would not have to take out so many and the loss would amount to only $1,125. But that is in addition to the $1,000, at the rate of one cent a case, that the canner has already paid for the inspection fee.

The whole thing is wrong. This is not the time for me to make some comments on the system of appointing these inspectors. Perhaps I will have an opportunity later. But the whole system is wrong and my strictures upon it three years ago have been wholly justified. But that is not the point at the moment.

The inspectors are appointed, by the way, on the recommendation of the people who have to pay them and whose stuff they are going to inspect, men who are in the same business as the canners themselves and competing with them. They are appointed by the government, we will suppose, and they are paid by the canner. It involves a heavy expense, unparalleled in the inspection of any other article. Does the cheese man have to pay the equivalent of one cent a case for every cheese that is inspected? Not at all. The government carries the expense of that as a contribution towards the advantages accruing from a higher grade product. Why should the salmon canner, who is running in very hard luck these days on account of competition and so on, be penalized because the government have seen fit, quite properly, to have his stuff inspected. If we make the cannery man pay for the inspection of his stuff, I hope the others will be made to pay for the inspection of their stuff.

As I say, there is a double charge to the canner. First of all he has to pay one cent a case, and that is quite a substantial tax; it is not a fee at all. Then he has to lose every tin that is opened, and the inspector is compelled to open these tins and throw them away It is a heavy expense for the canner. Surely that should be a sufficient imposition upon him without having to pay one cent a case as well. I submit to the minister that before he brings down the bill he might take that feature into consideration.

I do not think there is anything further that I can add. There is the case, and as far as I know it cannot be combatted. It is not fair for the industry, and I do not think it has a parallel in any other industry in Canada to-day.

Mr. STIRLING: Mr. Chairman, the hon. member has taken the opportunity of levelling some pretty considerable criticism in detail at the resolution stage. It would appear to me that it would be more desirable to proceed with the details at a later stage. If we could get the bill on the order paper, later on in the committee stage it would be more proper, I think, to take up these very detailed criticisms of the suggestion contained in the amending measure. Would that be suitable to the committee?

Mr. NEILL: I suppose I shall have to accept that if the minister cannot see his way to make a pronouncement. But what is the object in going into committee on any resolution? Is it not to discuss in a general way the principle of the proposed legislation? The minister says, wait until the bill is brought down. But in that event the bill will have been printed without attention having been drawn to the point I have raised. I think I was justified at this stage in bringing the matter up so that the minister might be made aware of it, and before introducing the bill he might consider the point and in his judgment, possibly, accede in some degree to the representations I have made. That was my only idea in bringing it on at this stage. However, if he wishes to report the resolution I have no objection.

Mr. STIRLING: As I have already explained, this is an extremely simple amendment empowering the governor in council from time to time to prescribe a tariff of fees. My hon. friend goes into the whole matter of inspection, in some considerable detail, and I suggest that that can be discussed at far greater length and more properly in the committee stage of the bill, whether it be in the committee of the whole house or before the fisheries committee, however the house might decide to deal with the bill.

Mr. NEILL: Does the minister indicate his willingness to send it to the fisheries committee?

Mr. STIRLING: I have no objection to its going to that committee.

Sir GEORGE PERLEY: I cannot understand what object there is in sending it to the fisheries committee. It is a bill to permit the charging of fees, and has nothing to do

with the general provisions of the act. We should like to oblige the hon. gentleman, if there were any object in sending it to the fisheries committee, but when the bill is brought down he will perhaps again raise his point.

Mr. NEILL: As the minister has said, the bill is a very simple one on the face of it; it only says that the minister shall have power to prescribe these fees for inspection. But my point is that they should not charge any fees. If it is not illegal it is highly unfair to charge them at all, and that is why I suggested that it would be better to have it discussed in the fisheries committee.

Resolution reported, read the second time and concurred in. Mr. Stirling thereupon moved for leave to introduce Bill No. 25, to amend the Meat and Canned Foods Act.

Motion agreed to and bill read the first time.

FISHERIES ACT, 1932

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Fisheries Act, 1932, to provide that except where licence fees are prescribed in the act, the governor in council may from time to time prescribe the fees that shall be charged for fishery licences.

Motion agreed to and the house went into committee, Mr. MacDonald (South Cape Breton) in the chair.

Mr. STIRLING: Perhaps I might read the explanatory note of this bill:

Section 34 of the Fisheries Act gives the governor in council authority, amongst other things, "to forbid fishing except under authority of leases or licences." There was similar authority in previous Fisheries Acts since confederation. Under it, regulations have all along been adopted by order in council requiring, for administrative purposes, that licences must be obtained before engaging in certain kinds of fishing, and specifying fees for such licences. While no difficulty has arisen in the collection of the fees, there is room for doubt as to whether in the absence of specific statutory provision, fees can legally be required. As fees paid in the past are not recoverable, the amendment does not need to be retroactive.

The exception referred to is section 9, subsection 4, of the act, which provides a fee of fifty dollars for hunting whales in Hudson bay.

As a lease implies a rental the charge would not come within the category of a fee.

Mr. CASGRAIN: Are there any regulations in this proposed bill that would have application in the province of Quebec?

[Sir George Perley.]

Mr. STIRLING: Not particularly so, in the province of Quebec. The Fisheries Act was consolidated in May, 1932, and this omission, if it may be called an omission, was not then discovered; but it has been directed to the attention of the department since, that whereas permission under regulation to grant licences is unquestionably there, the permission to charge fees for those licences is not. It is intended to correct that situation.

Resolution reported, read the second time and concurred in. Mr. Stirling thereupon moved for leave to introduce Bill No. 26, to amend the Fisheries Act, 1932.

Motion agreed to and bill read the first time.

SUPPLY

POST OFFICE DEPARTMENT

The house in committee of supply, Mr. MacDonald (Cape Breton) in the chair.

Salaries, including amounts required to pay allowances to office appliance operators, grade 2, operating mechanical audit card punching machines in accordance with the terms of order in council P.C. 280/383, dated February 17, 1930, and to pay allowances to typists, grade 1, employed cutting stencils in accordance with regulations approved by order in council; and to provide for continuance in office of G. C. Anderson, as superintendent of mail contracts from April 1, 1935 to March 31, 1936, $1,130,102; contingencies, $172,720.

Mr. LAPOINTE: May I ask whether a deputy minister has been appointed? If not, why the delay?

Hon. ARTHUR SAUVE (Postmaster General): The question is now under consideration.

Mr. LAPOINTE: I am pleased to hear that the question is under consideration. Will my hon. friend say how long it has been under consideration?

Mr. SAUVE: I cannot say now.

Mr. CASGRAIN (Translation): May I ask the honourable Postmaster general whether the deputy minister will be appointed by the present minister?

Mr. SAUVE (Translation): I do not hold sufficient power over divine Providence to give a reply now.

Mr. MERCIER (St. Henri) (Translation): Do you submit that this is a desperate case?

Mr. VENIOT (Translation): It is a reserved case.

I wish to ask the minister one question. I understand he does not intend to go on with any more of these estimates to-night?

Mr. SAUVE: No.

Item agreed to.

DEPARTMENT OF INDIAN AFFAIRS

Salaries and contingencies, $135,655.

Mr. CASGRAIN: Would the minister kindly give us the reasons for the increase, which appears to be $2,774?

Hon. T. G. MURPHY (Superintendent General of Indian Affairs): The small increase is to provide for the salaries of three employees who last year were paid from the departmental vote and this year are being paid from the civil government vote.

Mr. CASGRAIN: Could the minister tell us who they are?

Mr. MURPHY: A stenographer, Miss Cherry; a typist, Miss Murphy, although she is in no relation of mine, and a stenographer Miss Walker.

Sir EUGENE FISET: Were these clerks who are now being absorbed into the civil service only temporary before?

Mr. MURPHY: No.

Sir EUGENE FISET: If so, was this done with the consent of the civil service commission?

Mr. MURPHY: Miss Cherry and Miss Murphy are permanent employees who were transferred last year from the immigration department to the Department of Indian Affairs and were paid from the departmental vote. This year they are being paid from the civil government vote.

Mr. BOUCHARD: In the last year has any change been made in the minister's department in regard to translators?

Mr. MURPHY: We had one translator in the Department of Indian Affairs. That translator is now I believe transferred to the bureau for translations, but he is still connected with the Department of Indian Affairs and doing the translation work there.

Mr. JACOBS: Is that an Indian translator?

Mr. MURPHY: He translates from French into English and from English into French. He is, I believe a French Canadian by birth.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. MacDonald (Cape Breton) in the chair.

DEPARTMENT OF INDIAN AFFAIRS

To provide for expenses connected with the administration of Indian Affairs, including salaries, supplies, relief, medical attendance, hospitalization, dwellings, agricultural activities, surveys, roads, bridges, irrigation, dyking, education, et cetera, and a grant of $100,000 approved by parliament in session of 1926-27, $4,260,000.

Mr. GERSHAW: Could the minister give us some explanation of how supplies are purchased for the requirements of the Indians on the various reserves, such as hardware, lumber, groceries and general supplies of that kind?

Mr. MURPHY: Supplies are purchased in two ways. First, we contract at the beginning of the season for certain general supplies for the use of Indians throughout Canada. In other words the experience of years has taught us how we may anticipate the demands. There are always a certain number of destitute and aged Indians and we are also under treaty obligation with certain bands to provide them with certain supplies. We anticipate these requirements and contract for them early in the season, obtaining prices on tender forms. These supplies are then purchased and shipped at the most advantageous time to different reserves. To certain reserves it is necessary to ship goods early in the season, as they have to go in by dog train, or at other times by boat. If by dog train we endeavour to ship them early in the season in order to make use of the ice and thereby secure a more advantageous route. Needless to say we are not able to anticipate all our requirements, so it is necessary to supplement those contract supplies by purchases later in the year. These purchases are made by the various agents in charge of the reserves, or other officers whose services we utilize. These supplies are bought to the best advantage either locally or from wholesale merchants, in whatever manner seems best to the agent or the department.

Mr. GERSHAW: That is just the point I wanted to bring out. When extra supplies are required during the year I understand they are purchased by the Indian agent, as the minister says, to the best advantage. Does he call for tenders or competitive bids from all those dealing in the particular lines of goods required, or has he the privilege of

going to a particular store and ordering the supplies without giving others a chance to bid?

Mr. MURPHY: It depends to a certain extent on the amount of the purchase. If it is an appreciable amount, tenders are requested and the order placed with the lowest tenderer. Certain supplies of small amount the agent purchases to the best advantage without calling for tenders.

Mr. GERSHAW: Suppose a dozen cook stoves are required, would that be an order of sufficient size to make it necessary for the agent to advertise for tenders and accept the lowest satisfactory tender?

Mr. MURPHY: I could hardly give a definite answer to that question. If a specific case were before me I might be able to answer definitely, but speaking generally the purchasing is done in the manner I have indicated. No specific instance of the kind the hon. gentleman has mentioned has been brought to my attention during the last five years. The usual procedure I think would be, although I speak subject to correction, the obtaining of prices by tender, and the order going to the lowest tenderer.

Mr. GERSHAW: Could the minister state any sum at which it would be necessary to call for tenders? Suppose the value of the order was $100, would the agent be obliged to ask for tenders?

Mr. MURPHY: There is no sum set at which tenders are required. It depends upon the circumstances of each case.

Mr. McPHEE: Does this item include anything for the construction of an electric transmission line from Kamsack to St. Phillip's mission?

Mr. MURPHY: Yes, that is provided for in our estimate as submitted.

Mr. McPHEE: What is the amount provided, and the nature of the work to be done?

Mr. MURPHY: The sum of $5,500 is indicated for that item.

Mr. McPHEE: Will tenders be called for for the construction of that line, or will an arrangement be made with the town of Kamsack which supplies the electric power?

Mr. MURPHY: Until our estimates are finally passed we could not of course make any arrangement for the building of the line. If I understood the hon. member correctly he stated that the town of Kamsack own their power plant?

[Mr. Gershaw.]

Mr. McPHEE: Yes.

Mr. MURPHY: Under those circumstances it is possible—although I am not committing myself to a future course of action—that the town of Kamsack would be consulted or asked to give a price. However, I am not committing the department to that course of action. Until the estimates are passed we are in no position to call for tenders or consider how it should be done.

Mr. McPHEE: Surely in providing for an appropriation of $5,500, the minister must have had something in mind as to how the money was to be spent.

Mr. MURPHY: The money is to be spent for the building of the line, and we will build it to the best advantage, applying ordinary business principles.

Mr. BROWN: I do not suppose the question I wish to ask properly comes under this item, but I do not know where else or when else to ask it. How many Indians have been enfranchised under the legislation of two years ago?

Mr. MURPHY: None.

Mr. SANDERSON: There is an increase of $320,500. That is a very substantial increase, and I should like the minister to explain it.

Mr. MURPHY: For administration services there is an increase of $26,000; for Indian education an increase of $190,000; for medical services an increase of $55,000; for aids to Indians an increase of $39,000, and for irrigation, roads and so on an increase of $10,500.

Mr. SANDERSON: Would the minister explain the increase of $26,000 in administration?

Mr. MURPHY: That is divided into three parts, one for urgent repairs to Indian agency buildings, two for the purchase and operation of equipment such as motor cars, boats and so on, and three to provide for the 1934 amendments to the Salary Deduction Act. Last session we passed an amendment to the Salary Deduction Act by which salaries of $1,000 or less were exempted from the deduction. This is the increased amount it is necessary to pay to those receiving $1,000 or less. The deduction does not apply now, and we have to make provision for that extra amount. It was not a charge on the funds of last year, when the money was paid from another vote.

Sir EUGENE FISET: I wonder if the minister would be kind enough to inform me what classes of Indians are entitled to these

supplies. I should like to know also if the Indian agents furnish only actual supplies or if they provide money as well. Further I should like to know if the half-breeds are entitled to this help as well as other Indians.

Mr. MURPHY: Some Indians receive supplies under the various treaties which have been entered into between the Indians in question and the crown. Others are supplied because they are destitute or ill. Others are looked after because, like other people, through no fault of their own they have been unable to provide a livelihood for themselves. The only Indians who receive money are those who receive it under treaty or from the interest funds of the band to which they belong, provided they have a capital sum to their credit with the dominion government.

Sir EUGENE FISET: I had in mind some special cases in the province of Quebec. I wrote the minister a few days ago asking if half-breeds who are living in the county of Rimouski at the present time and who are absolutely destitute would be entitled to receive any supplies from the Indian agent at Cacouna. I understand this agent buys supplies and distributes them to the different Indians in the counties of Rimouski and Matane. I am anxious to find out from the minister particularly whether half-breeds would be entitled to receive such supplies from the department.

Mr. MURPHY: No, supplies are not furnished to half-breeds. Only the Indians who come within the definition of the Indian Act are supplied.

Mr. GERSHAW: I wonder if the minister would be good enough to explain to me a little further about those supplies, particularly in regard to drugs and medical supplies. How are the Indians on the reserves looked after in this regard?

Mr. MURPHY: The drug supplies are furnished to the medical officers on the reserves, or in some cases to missionaries or others where we have no medical men. The department obtains these supplies from the Department of Pensions and National Health in Ottawa, and they are forwarded to the various agencies throughout Canada. In addition to that, of course, medical men who are called upon to provide medical attention to these Indians may write prescriptions for sick Indians and have them filled at local drug stores, or if necessary they may purchase supplies locally if those furnished by the department are not sufficient or are not of the kind required in any particular case.

Mr. REID: I wonder if the minister would mind telling the committee if it is intended to construct any Indian schools in British Columbia during the coming year, also if any were constructed last year and if so where.

Mr. MURPHY: In British Columbia we propose to spend the sum of $200 to complete a building for day school purposes at Fort Macleod; $100 to complete a building for day school purposes at Fort Grahame, and $1,500 to erect a new school building at Campbell River.

Mr. McPHEE: Reverting to the matter of constructing a transmission line from Kamsack to St. Phillip's mission, I wanted to ask the minister another question but another member came in ahead of me. Naturally in the construction of this line the superintendent of utilities of the town of Kamsack would be in charge, because they have to supply the power. The request I want to make is that the minister have the work done by day labour, which would enable many of the unemployed men of Kamsack to find work, and of course the construction would have to be carried out to the satisfaction of the superintendent of utilities, who is in charge of the power plant.

Mr. MURPHY: In carrying on works of this nature it is our general policy when work is done by day labour to utilize the services of the Indians to as great an extent as possible, and we would probably follow that policy in the construction of this line.

Mr. SMOKE: A year ago I took a few moments of the time of the committee to present the case of the Six Nations Indians on the reserve at Tuscarora, in the county of Brant. I pointed out that, these Indians always having been wards of the government, like other Indians of the dominion, funds belonging to the Six Nations Indians and in possession of the government of the day were improperly diverted, in breach of trust, for the purpose of building or helping to build a canal known as the Grand River navigation canal. The moneys then misappropriated, as I say, together with interest and other moneys advanced from time to time by the government of the day, amount in the aggregate to over $1,000,000. I am told that the contention of the Department of Justice is that this matter is outlawed or that the present government of Canada is not responsible for what was done by a previous government of this part of Canada. I cannot see it in that way. I do not wish to repeat the arguments I advanced last year, but I shall call to the attention of

the committee the concluding words of the reply the minister was good enough to make following my observations. He said, as reported at page 2416 of Hansard for 1934:

I wish to assure him—

And the minister was referring to me.

—that so far as I am concerned, within the limits imposed upon me I shall endeavour to see that justice is done.

I find nothing in the estimates to cover the expenditure I have suggested. I have not asked for an appropriation of a million dollars. I recognize that there is some merit—not very much—but some merit in the contention that the present government is not responsible for this expropriation of funds. I wish again to suggest to the minister that a substantial sum be placed in the supplementary estimates for the purpose I have suggested. Such an expenditure would go a long way towards wiping out the dissatisfaction which exists among the Indians who were wrongfully deprived of money. I would not expect the amount to be charged this year against income; it is really a capital expenditure which should be charged against capital. The expenditure should not interfere with the financial position of the government, so far as the revenues for the year are concerned. Again I ask the minister to consider the matter and if possible to place a substantial sum in the supplementary estimates for the purpose I have indicated.

Mr. MURPHY: The hon. member drew this matter to my attention last year when the estimates for the Department of Indian Affairs were under discussion. He has correctly quoted my remarks upon that occasion. I believe at this time I have nothing to add to my former observations, but I assure the hon. member that I shall be pleased to take the matter into the fullest consideration when supplementary estimates are being considered.

Mr. CASGRAIN: Mr. Chairman, there are some circumstances I should like to bring to the attention of the minister. Last year I communicated with him in connection with a man named Edouard Moreau who lived at Ste. Agnès de Charlevoix, a village behind Murray Bay. In a letter addressed to me under date of March 16, 1934, the minister said the man in question should present himself to the nearest Indian agency and apply for relief, in which case he would receive the necessary attention. In this instance the nearest Indian reserve is at Bersimis, and the next two are at Seven Islands and Mingan. At those points are located the three large Indian reserves in my constituency, and all are at great distances from this man's home. Would the minister indicate what could be done in circumstances such as these? Then, at a place called Les Escoumains in the county of Saguenay, there is a small settlement of Indians. They have their quarters near the village. Apparently they do not belong to any of the reserves, but live on their own lands and are educating their children. I believe the children of these Indians go to the village school. It would seem however that they do not receive any grant. The next reserve is at Bersimis, a point about sixty or seventy miles away, and these people would not be in a position to travel that far. In such circumstances what may they expect from the department?

Mr. MURPHY: In the event of the Indians in question being located at points distant from Indian reserves they would be required to write to the department at Ottawa or, if they were unable to do so, have someone write for them bringing their condition to the attention of the department. In such circumstances proper arrangements would be made for their relief, in the event of their being in need. As I said a few moments ago, in some of the remoter areas where we find difficulty in having agents operate we have utilized the services of the missionaries. In other cases where there are only a few Indians at one point, so few in fact that it would not be proper to have an agent to look after them, the Indians or some persons on their behalf would write to the department, and in the event of its being shown that they were in need of food, fuel, clothing, or medical services, proper steps would be taken by the department.

Mr. HANBURY: What amount is provided under the vote for the education of the Indians? Further, how long have we been educating Indians, and are those educational facilities supplied as a result of treaty arrangements? Is there any compulsion in matters of education?

Mr. MURPHY: Yes, the total amount allotted for education in the year 1935-36 is $1,846,000. Where school facilities are furnished the Indian children are supposed to attend school. In other words compulsory attendance applies.

Mr. HANBURY: Possibly the minister did not hear all my question. I asked how long we had been educating Indians, and to what extent the education had been given.

Mr. MURPHY: In the first instance education began through the efforts of various

missionary societies in Canada, that is to say through the efforts of the Roman Catholic church and the Anglican church, which were followed in the work by the Methodist church —now part of the United church—and the Presbyterian church. These religious bodies sent missionaries among the Indians, and in order better to explain their doctrines they attempted the education of Indian children. Many schools were organized throughout the dominion which, in the first instance, were carried on as the sole charge of the various churches. Then later—I cannot give the exact date—these churches made appeals to the dominion government for grants to assist them in the education of the Indian children. As a result the dominion government has for a number of years provided per capita grants to the various schools conducted by different church denominations. Again at a later point day schools were built on the reserves where the Idians had more or less settled habits. In that way the Indian child of to-day is obtaining or should obtain a public school education.

Mr. HANBURY: Could the minister give any information to indicate whether or not the education given to the Indian children has been of any real benefit, and in what way the results ars shown?

Mr. MURPHY: That is a question to which one could scarcely be expected to give a dogmatic or explicit answer, nor could one prove his answer were he called upon to do so. I have discussed the point with those in authority, and with people who are deeply interested in the education of the Indians in Canada, and they are unanimously of the opinion that the education has been beneficial to the Indians, and particularly to those who are living in what might be described as the more civilized sections of Canada. Where children living in the more remote districts are taken to points hundreds of miles distant and placed in residential schools, going back after their school term to the wilder parts of Canada to make their living by the chase, the results are not so satisfactory as in the case of those living in the more settled parts of the dominion. I am told by the church authorities particularly that on the part of children of former pupils of the residential schools there is a noticeable difference in the ability to absorb education; that is to say, the second generation attending school show more evidence of benefit than the first.

Mr. MacINNIS: May I ask the minister if there is any government inspection of assisted schools?

Mr. MURPHY: Yes, the Indian schools are inspected by the various public school inspectors throught Canada with the exception of British Columbia and New Brunswick in which provinces the department employ its own inspectors.

Mr. MacINNIS: In regard to relief assistance for needy Indians on the reserves, is there any definite schedule of relief?

Mr. MURPHY: No, there is no definite schedule, because as the hon. member will realize the conditions on all the reserves are not the same, and the supplies that it may be necessary to furnish to the Indians in Ontario might vary considerably from the supplies necessary in British Columbia. The agents of course use their judgment in furnishing those supplies to the Indians who are in need, whether it be food, fuel, clothing or medical services.

Mr. MacINNIS: May I put my question in another form? Suppose an individual or a family on a reservation applies for assistance, is there in British Columbia a definite schedule that applies in all cases?

Mr. MURPHY: There is no definite schedule of supplies, but the agent is under certain limitations as to the supplies he may purchase for those in need.

Mr. VALLANCE: There is a matter that I wish to take up with the minister, and I am wondering which of these four items he would wish me to bring it up on, item 184 dealing with Indians, or the item dealing with the government of the Northwest Territories, item 187, or item 189, government of the Yukon Territory, or item 190 dealing with dominion lands and parks. These are the only four items that I can find in the estimates, apart from the Department of the Interior, which the minister will be bringing before the committee. I have already drawn to the attention of the minister the fact that I wish to discuss on the floor of the house the matter of the old R.N.W.M.P. property in the old town of Battleford, and I should like to know on which item I should bring up this question.

Mr. MURPHY: That item would be properly discussed when the estimates of the Department of the Interior are before the committee. We are dealing now with the Department of Indian Affairs, which is a separate department from the Department of the Interior, although the same minister is in charge of both departments. I suggest to the hon. member that the matter might be properly discussed under the item dealing with dominion lands and parks.

Mr. VALLANCE: There is no other item in the interior department that it would come under?

Mr. MURPHY: It can be discussed when the interior department estimates are before the committee.

Mr. VALLANCE: Under the item for dominion lands and parks?

Mr. MURPHY: Yes, dominion lands and parks being one branch of that department.

Mr. VALLANCE: Very well.

Mr. CASGRAIN: I see in the annual report of the Department of Indian Affairs for 1934, at page 22, this paragraph:

> The north shore.—Along the north shore of the gulf of St. Lawrence, the Indians have been taking a marked interest in the fishing industry. At Mingan, Natashkwan, Romaine, St. Augustin and Moisie, the fishing is under departmental supervision. Salmon and cod are the principal marketable fish, and are a source of considerable income to the Indians.

I would like to know what comes under the heading of departmental supervision of the fishing that is done by the Indians? What kind of supervision does the department exercise, how many Indians are interested in this fishing, and what is the considerable income that they derive from it?

Mr. MURPHY: The supervision that is given in this case would be given by the Indian agents. I am sorry I am unable to give any figures to the hon. member as to the results of the catch or as to the amount earned by the Indians by this fishing, but I shall be pleased to obtain any figures that are available and give them to the hon. member. I am sorry I do not have them here.

Mr. CASGRAIN: Would the minister let me know if those timber limits in the Bersimis reserve have been leased recently? I mean those timber limits which were under the control of the Brown corporation some years ago and were giving some revenue to the Indian fund.

Mr. MURPHY: I am unable to give an answer at the moment.

Mr. CASGRAIN: I know that the leases were operated by that company some years ago, but now nobody is operating them. Another question I would like to ask the minister is whether any roads were built last year or are intended to be built this year at Bersimis, Mingan or at Seven Islands, within the limits of those reserves?

[Mr. Murphy.]

Mr. MURPHY: An item of $1,000 has been provided for the completion of the main road in the Bersimis agency. It was started this year, and $200 is provided for repairs to three bridges.

Mr. CASGRAIN: Are there any other roads to be built in the reserves in the county of Charlevoix-Saguenay, in the Mingan reserve, at Bersimis or Seven Islands?

Mr. MURPHY: No.

Mr. CASGRAIN: May I ask if the agent at Mingan has been replaced by a permanent appointee? Last year there was an advertisement of the civil service commission calling for the appointment of an agent there.

Mr. MURPHY: The present agent at Mingan is M. G. Hamilton.

Mr. CASGRAIN: Has he been definitely appointed?

Mr. MURPHY: I am informed that no permanent appointment has yet been made.

Mr. CASGRAIN: When will it be made?

Mr. MURPHY: It is in the hands of the civil service commission at the moment.

Mr. REID: Have any leases been granted in the Semiahmoo reserve?

Mr. MURPHY: I have not that information before me but to the best of my recollection no lands have been disposed of there, though I speak subject to correction.

Mr. REID: I wish the minister would look it up. Two years ago I urged that no further leases should be granted from that reserve. It is the intention ultimately to use part of the reserve for a park in conjunction with the park on the American side of the line. Individuals have been trying to obtain leases for building lots and I have urged that no further leases be granted there. I should like the minister to obtain the information, because I have been informed that there have been at least two more leases granted.

Mr. MURPHY: I have no recollection of any leases of land granted in that district but I shall be pleased to get the information.

Mr. CASGRAIN: Did the minister last year receive a letter from the Indian chief at Seven Islands and from other persons regarding certain complaints about the treatment he had received in hospital in Quebec? Last year I submitted a letter to the department and there was to be an investigation, but I have not heard anything further since that time.

Mr. MURPHY: Was the letter addressed to myself or to the department?

Mr. CASGRAIN: To the department.

Mr. MURPHY: I am informed that the matter was investigated by the department through the agent.

Mr. CASGRAIN: Has there been any report regarding the accusations made at that time? There were some serious complaints against the agent and the request was made for an investigation.

Mr. MURPHY: I am informed that an investigation was carried out and the report is in the hands of the department.

Mr. CASGRAIN: May I have a copy of the report?

Mr. MURPHY: Certainly.

Mr. VALLANCE: On page 77 of the estimates, giving the details of civil government, I notice towards the bottom of the column provision for one packer and helper, $1,300. What function does this packer and helper perform in the Department of Indian Affairs? What does he pack and whom does he help?

Mr. MURPHY: He is engaged in the packing of supplies for the various agencies—such supplies as stationery, school requirements and so on.

Mr. VALLANCE: Is he a resident of Ottawa?

Mr. MURPHY: Yes.

Mr. VALLANCE: There is another item —confidential messenger. To what Indian is he confidential messenger?

Mr. HANBURY: And who is the Indian?

Mr. MURPHY: He is confidential messenger to the department at Ottawa.

Mr. VALLANCE: To the minister?

Mr. MURPHY: To the department, not to the minister.

Mr. VALLANCE: I see provision for a director of medical services, $5,100. How many medical men are under the supervision of this officer?

Mr. MURPHY: The director of medical services has a very important duty to perform. The health of the Indians in Canada is under his direction and responsibility, under the minister. As regards the number of medical men throughout the country, I cannot give any information offhand, but it would be considerable. There are 112,000 or 115,000 Indians in Canada, scattered from the Atlantic to the Pacific, and some having habitation in the northwest territories. In the circumstances the hon. member will understand that it is necessary for us to avail ourselves of the services of a great many medical men. It would be easy to ascertain the number.

Mr. VALLANCE: How many men have been added to the staff in the last three years? Does this medical supervisor report to the department, and, if so, is his report available to the house to show his findings in regard to the general health of the Indians throughout the country?

Mr. MURPHY: I cannot give the exact number of medical men who may have been added to the department in the last three years, and I am not clear in my mind as to what the hon. gentleman meant.

Mr. VALLANCE: It is obvious what I mean.

Mr. MURPHY: Just a moment. As to whether the number have been augmented in the last three years, I do not think we have any more now than we had three or four years ago, with the exception of one or two. We did appoint a man for a very special duty, namely, to make a survey of the trachoma situation in Canada, but the numbers in general have not been increased. I doubt whether we have any more now than we had three or four years ago; the number would be approximately the same. As to the reports of the director of medical services, the hon. member will find them in the annual report. They are available to him at any time as a member of the house.

Mr. GARLAND (Bow River): Has the minister given an explanation of the increase of $320,000?

Mr. MURPHY: Yes, I have, but I shall be glad to give it again.

Mr. GARLAND (Bow River): I shall see it to-morrow in Hansard. With regard to supplies of coal at the Blackfoot reserve, Alberta, what was the total cost in the seasons of 1933, 1934 and 1935?

Mr. MURPHY: The total supplies of coal for that agency for all purposes are obtained from a mine on the reserve, and the coal is mined by Indians.

Mr. GARLAND (Bow River): I want to find out how much it cost in 1933, 1934 and 1935.

Mr. MURPHY: I have not that information before me but I shall be glad to get it.

Mr. STEWART (Edmonton): Are all the Indian agents in the Northwest territories medical men?

Mr. MURPHY: They are all medical men, although I should supplement my answer by saying that at the present time Doctor Bourget, who is situated near Great Slave lake, has found it necessary on account of illness to come out for a time, and it may be necessary to replace his services.

Mr. GARLAND (Bow River): What is the total amount of grant to the Indian school at the Blackfoot reserve? There are two schools there, one at Cluny and the other at Gleichen. Is it the same grant for each school or does it differ?

Mr. MURPHY: In this reserve there are two residential schools, the Crowfoot, with seventy-five pupils and a per capita grant of $149, and the Old Sun's, with a pupilage of one hundred and a per capita grant of $149.

Mr. PARENT: I note that in the estimate for Indian Affairs $320,000 is asked in excess of last year's amount, and I also note that the estimate covers bridges, roads and other necessary works. May I ask the minister whether there is any appropriation for the upkeep and repairs of bridges on the road across the Indian reserve in the township of Doncaster, county of Terrebonne, province of Quebec? During the last two years correspondence has been exchanged with the department and the reply has been that there was no appropriation. As there is $320,000 more for next year, will the Department of Indian Affairs during the winter take care of the road crossing that Indian reserve and have the bridges repaired so that there will be no further accidents?—because some took place last year.

Mr. MURPHY: There is in the estimates no appropriation for work on the road in question.

Mr. PARENT: This is a public road about fourteen miles in length. It was built more than twenty years ago, and seven or eight years ago an agreement was made between the provincial government and the Department of Indian Affairs whereby each was to spend about $9,000, so that $18,000 was spent between the two governments. That was to repair and build bridges on the road from the parish of Ste. Lucie through the parish of La Merci in the county of Montcalm. The road has been in fairly good condition for six or seven years. Since this government has been in power, it has been very difficult to have the road kept in good repair and accidents have taken place. I think some action has been taken against the government. It was claimed by the department that the road was not a public one, but it is a question whether a road that has been built and maintained and on which bridges have been constructed in conjunction with the provincial government, is a public one or not.

There was also a reply given by the department stating that the road into the parish of La Merci in the county of Montcalm had not been repaired. That was used as an argument by the department for not spending any more money on that road. But last year the provincial government spent the necessary amount of money to put its part of the road right through for about sixteen miles into perfect condition. The last reply we had from the Department of Indian Affairs was that the road was to be closed and signs were to be put at each end of it stating that it was not a public road and that the public using it did so on their own responsibility. I think that is a very bad step to take. The road to my personal knowledge has been open to the public for the past twenty years, and I think the necessary appropriation should be made and the road given proper attention. It is divided into three sections; one into the county of Montcalm in the parish of La Merci; a section of ten miles into the Indian reserve, and then about four or five miles into the parish of Ste. Lucie in the county of Terrebonne. Therefore each of the three parties is bound to keep its own sections in order that the public may not suffer from having a very bad road, especially in the winter when the road is blocked by snow. I am asking the minister to give his attention to the matter.

Mr. MURPHY: As the hon. member has stated, there has been certain correspondence about the road in question. I am informed by officers of the department that there is only one Indian family living on the reserve. While I believe it is true, as the hon member has stated, that this road is a public one, that is, it serves the people surrounding the reserve, allowing them to travel from one place to another, I can only repeat what I said a moment ago: no appropriation has been made in the estimates for the road in question, I shall be pleased, however, as requested by the hon. member, to give the matter my attention.

Mr. PARENT: I thank the minister.

Mr. JACOBS: The minister a few minutes ago said that the Indian population of this country was from 112,000 to 115,000. Does

that comprise those who are wards of the government unemancipated, or all the Indians in the country, those emancipated and otherwise?

Mr. MURPHY: Those who are classed as Indians as defined by the act; that is to say, those who have become enfranchised are not classified as Indians after that action has been taken.

Mr. JACOBS: Indians who are wards of the government live on reserves in different parts of the country. Do I understand that missionary supervision is provided for all those reserves?

Mr. MURPHY: That depends on the missionary zeal of the various churches. I may say though that in practically every part of Canada the Indians are receiving religious instruction from various denominations. It may be that in some of the remoter parts of Canada they are not receiving religious instruction. If there are such I am not aware of it, because the department is continually receiving letters from the various denominations from every part of Canada. From my personal knowledge of the last four or five years I think it can be generally stated that the Indians throughout Canada are receiving religious instruction.

Mr. JACOBS: That is they are attached to various Christian denominations, as I understand. Has the government anything to do with the allocation of those Indians to the various denominations? Do they settle which are to be Roman Catholics and which are to be continuing Presbyterians or United Church and so on?

Mr. MURPHY: The Indian exercises freedom of choice the same as the white man. He may select his own church.

Mr. JACOBS: But he has not the freedom of exercising the franchise while he is a ward of the government.

Mr. MURPHY: Only when he becomes enfranchised.

Mr. GARLAND (Bow River): A little while ago the minister informed the committee that the expenditures in respect to schools on the Blackfoot reserve in eastern Alberta were $149 per head. Are there any other expenses in connection with those two schools? If so, what are they?

Mr. MURPHY: I find that the sum of $200 is allocated for a windmill at the Old Sun's school and $1,400 to be used for the erection of a henhouse, pig pen, silo, and for paint for the buildings and barns.

Mr. GARLAND (Bow River): These expenditures are in respect to the Old Sun's school?

Mr. MURPHY: Those I have just mentioned, yes.

Mr. GARLAND (Bow River): Are there any for the Cluny school?

Mr. MURPHY: There is no specific item in the estimates for the school in question, although we have a general item on which we draw for the purposes of general repairs and such things.

Mr. GARLAND (Bow River): Have any requests been received during the year for additional expenditures in respect of the Cluny school?

Mr. MURPHY: Yes, I am informed that there have been.

Mr. GARLAND (Bow River): What were they?

Mr. MURPHY: I am informed that last year there was a fire in the school, and that some $1,500 was spent during the fiscal year 1934-35 on repairs, and that certain other repairs have been requested, which are being taken care of out of the general item that I mentioned a moment ago.

Mr. GARLAND (Bow River): May I be assured by the minister that they will be taken care of?

Mr. MURPHY: All necessary repairs will be attended to.

Mr. GARLAND (Bow River): We shall see next year.

Mr. CASGRAIN: How many Indians were enfranchised, if any, in the district of Charlevoix-Saguenay?

Mr. MURPHY: None.

Mr. CASGRAIN: Could the minister tell us if the Indian fund, which belongs to the Indians and out of which they are supposed to receive grants, has been depleted or increased within the last year?

Mr. MURPHY: At the beginning of the fiscal year the total to the credit of the Indian trust fund was $13,580,007.18. At the end of the fiscal year it stood at $13,602,564.74—a slight increase.

Mr. CASGRAIN: Where did the increase come from—interest earned, or new sources of revenue?

Mr. MURPHY: It would come from general sources such as sales of timber, pos-

sibly sales of land; and in addition it might be augmented by the interest credited by the dominion government at the rate of five per cent per annum, which may not all be used or distributed among the Indians.

Mr. CASGRAIN: Were there any sales of land or timber on the north shore of the St. Lawrence river?

Mr. MURPHY: I can assure the hon. member that there was no sale of land. I would have to ascertain if there were sales of timber or any other resources.

Mr. CASGRAIN: Has the department received any requests for leases of timber limits of which I spoke a few minutes ago in the Bersimis district?

Mr. MURPHY: The officials have made a note of that request. I have not the information now but I shall be glad to get it.

Mr. EULER: May these Indians leave the reserves and become regular citizens of Canada with voting privileges?

Mr. MURPHY: They are free agents, that is to say there is no law which compels an Indian to remain on the reserve. He may leave the reserve and still be classed as an Indian, or he may apply to the department to become enfranchised, which action is taken if after investigation it is thought proper to do so. If he becomes enfranchised then he has the privilege of voting.

Mr. EULER: Are the Indians showing a tendency to leave the reserves and become assimilated with the rest of the population, and if so to what extent?

Mr. MURPHY: In the eleven months of the present fiscal year thirty-one have been enfranchised. Adding the twenty-seven dependents makes a total of fifty-eight enfranchised during those eleven months.

Mr. EULER: Is the Indian population on the reserves increasing or decreasing, or does it remain stationary?

Mr. MURPHY: Generally the number of Indians is increasing, with possibly very few exceptions in certain reserves. The Indian population is increasing at about the rate of one thousand a year.

Mr. MOTHERWELL: As the minister is aware, the Indian department have been putting up certain parcels of Indian lands for sale by auction from time to time and by arrangement with the Indians their wards. During the abounding years of 1926, 1927, 1928, when land prices were very buoyant a quantity of such land between File Hills Indian agency and the town of Hubbard on the Black Bear reserve was sold to white settlers, who now find great difficulty in paying either the interest or the principal. It has occurred to me that possibly these settlers might have the benefit of the legislation that is available to those who purchased land from other vendors such as the Canadian Pacific Railway Company, the Hudson's Bay Company and many private vendors, and even from the Indian department themselves. These lands now are priced very much lower than they were in those earlier years, and I was wondering if anything could be done with respect to the principal owing on these lands and also in regard to the interest, which I think is six per cent. These payments are being defaulted. As my hon. friend knows, crops have not been too good and prices for all farm products have been simply terrible. Has any particular policy been adopted by the department that would give these settlers the opportunity of rearrangement that other settlers may enjoy who bought from vendors other than the Department of Indian Affairs?

Mr. MURPHY: Mr. Chairman, the hon. member has raised a question which has given the department and myself a great deal of concern. As he has stated these lands were sold to white settlers, but in the first instance they could be sold only after a proper surrender had been given by the Indian owners. In consenting to the surrender the Indians themselves laid down the terms and conditions under which they were prepared to surrender their rights in the lands; consequently the crown acts as a trustee for the Indians in those sales. I take it that of itself the department has no power to vary the terms laid down by the Indians in regard to the surrender, but last session parliament in its wisdom passed a measure known as the Farmers' Creditors Arrangement Act, of which the farmers are availing themselves to a great extent. Settlers who purchased Indian land, I have been informed, are in the same position as other settlers who purchased land from white people or from companies. Therefore the purchaser of Indian land has the same recourse open to him that is open to other settlers throughout Canada.

Mr. MOTHERWELL: That would seem to be quite satisfactory, provided that the same machinery is available in each case. I suppose the same courts will deal with both cases, that the same facilities will be available and that the possibility of reducing the rate

of interest will be the same in every case. I realize that the government is acting as the guardian of the Indians and that these sales have been made under agreement as to price, but there is no reason why the Indian would not be as reasonable as any other person. At the present time he is agreeing to sell similar land at a much lower price, and I think if the matter were presented to him as a creditor, like other creditors, he would possibly agree to a lower price which would correspond with the prices being received under the sales taking place at the present time, as well as a lower rate oof interest. I can see no di..culty in that. The Indian may say a bargain is a bargain, and of course that is so, but in the years from 1927 to 1929 many bargains were made that it is simply impossible to carry out. Many of these settlers have put their all into the improvement of these lands. They have erected houses. A good many of them of course are log houses, nevertheless it has taken a good deal of labour to put them up, together with the necessary outbuildings. This is largely wooded land, and a great deal of clearing has taken place. These settlers have every dollar they own invested in their land, and they simply cannot pay those high prices. My hon. friend is a reasonable man; he understands the conditions which exist among both the white settlers and the Indians. I do not think he would find very much difficulty in making such rearrangements as I have mentioned. But if these settlers can take advantage of the Farmers' Creditors Arrangement Act and possibly secure a reduction of their debt if the circumstances warrant it, all would seem to be well. Can the minister see anything that would make it difficult or impossible to achieve this result? I think the difficulty largely disappears if these settlers are put in the same category as other purchasers of land from vendors other than the government.

Mr. MURPHY: To answer the first question of my hon. friend I would say that I do see some difficulty in asking the Indians voluntarily to make settlements with those who purchased the lands in question. I think the hon. member will realize that each case must be dealt with on its merits, just the same as though the settler had purchased the land from a white person or a company. All cases are not the same. Some purchasers may have almost paid for their land in full; they may have kept up their interest payments, while others may have allowed their interest to accumulate. There will not be two cases exactly alike; each case would have to be considered by the Indians on its merits. If it were merely a question of reducing the price of the land or of reducing the interest, a matter on which a general judgment could be given, that might be accomplished, but certainly these cases will not be all alike. Each case will be like a matter coming before a judge and jury; it will have to be decided on its merits. That is why I think the second alternative would be much better, namely that the purchasers of Indian land avail themselves of the provisions of the Farmers' Creditors Arrangement Act, just as is done by the purchasers of land from others than Indians.

Mr. MOTHERWELL: I think that is reasonable. If there is a good settler on a piece of good easily cleared land, a man who has been making his payments, of course the assumption is that he will be able to make the rest of the payments. On the other hand another settler, due to different causes, may have gone behind; he may have made no payments, or very few. I do not know which of these men would get the better treatment. I could imagine that the official receiver might consider the man who was pretty well paid up should receive the better adjustment, because he would have the best chance of eventually paying whatever figure is arrived at. On the other hand sometimes a man gets away behind through no fault of his own, and there may be a disposition to be a little hard on him. I recognize that the merits or demerits of each case must in the main be the basis of the arrangement. I do not know that I can take any exception to that, but I would urge the minister to facilitate these arrangements in every possible way. I have seen some of the correspondence between the department and some of these purchasers of land. Sometimes, you know, when you read an official letter in black and white it sounds very harsh and exacting. The settlers are supposed to come through with their payments, but they have nothing to come through with. I hope that at least some nicer official letters will be sent to them holding out some hope of adjustment downwards, because they are now hanging on by their eyelashes and toe-nails just wondering what is going to happen next. Here is a government exercising supervision over this matter, and teaching ethics in business to other people, although it would seem they are not practising very nice ethics themselves. That is the way they reason. Of course, we will have to wait until we see how this matter turns out in practice, but if the same privileges were freely given these settlers as are given to

others I believe the difficulty would be removed. I do not believe the Indians themselves will throw anything in the way of a rearranged valuation of such lands. I have found that if Indians believe other people are playing on the up and up they also will play on the up and up. The Indian boys who are farming on the same reserve also have difficulty in making ends meet, and have no doubt little trouble would be experienced in bringing about any compromise which may be necessary to meet the exigencies of the situation in general and each case in particular. I thank the minister for his interpretation of the position, and we will now have to await events. I hope the minister, as Superintendent General of Indian Affairs, will make public his interpretation, and the interpretation of the Minister of Finance on the same subject.

Mr. JACOBS: Is there any particular disease from which the Indians on reservations suffer? I understand that in olden days many Indians suffered from tuberculosis. Could the minister tell us about their health in these days, when new treatments are being adopted.

Mr. MURPHY: When the Indian first came in contact with the white man and contracted the white man's diseases he was found to be extremely susceptible to them. and once having contracted them the mortality rate was very high. Through the years, however, the Indian has developed resistance to the diseases common to the white man, and that while tuberculosis and certain other ailments are prevalent among them, we are assured by our officials who have charge of the health of Indians that there is a marked improvement in their general health.

Mr. DUPUIS: I should like to learn from the minister how much of the $4,260,000 is spent in the province of Quebec, in Ontario and in the other provinces. Following that I should like him to tell me how much is being spent at the Caughnawaga reserve in the county of Laprairie?

Mr. MURPHY: The amount is divided among the various provinces as follows:

Prince Edward Island	$ 10,110
Nova Scotia	143,234
New Brunswick	110,464
Quebec	379,931
Ontario	774,969
Manitoba	417,930
Saskatchewan	599,843
Alberta	564,791
British Columbia	920,888
Northwest Territories	128,521
Yukon	41,160

Mr. DUPUIS: Could the minister tell what amount is to be spent at the reservation at Caughnawaga, and what proportions will be spent for irrigation, dwellings, agricultural activities, dyking and education?

Mr. MURPHY: For the Caughnawaga reservation we have estimated expenditures as follows:

Administration	$ 3,465
Medical services	11,650
Relief	40,000
Roads, drainage, bridges and so on	1,800

Mr. DUPUIS: Nothing for bridges.

Mr. MURPHY: Yes, the last item is for drainage, roads, bridges and other expenditures.

Mr. DUPUIS: But there is nothing for bridges.

Mr. MURPHY: Yes, it is included in the $1,800.

Mr. DUPUIS: May I tell the minister that at that point there is no bridge to be built or maintained and that for that reason I conclude no money will be spent for bridges.

Mr. GARLAND (Bow River): They burned their bridges.

Mr. DUPUIS: Yes, as the hon. member for Bow River has said, I suppose they have burned their bridges. In previous sessions I asked the minister to place in his estimates an amount sufficient to cover the installation of a water system in the reservation. A high percentage of the mortality in the reservation has been due to lack of hygienic conditions, the inhabitants having to get their water from the river. I have asked him further, to provide an amount for the rebuilding or the repairing of the hospital, which in fact is only an old stone building. At no place do I see any evidence of anything being done to implement the requests I have made.

Prior to last year the agent in the reservation was a gentleman named Lorenzo Letourneau. I do not know any man better qualified than he was to perform the duties he had to perform there. He is a highly educated gentleman with a large experience in municipal affairs, and moreover Mr. Letourneau not only fulfilled the functions of agent but the additional functions of distributing the relief in the whole reserve. For some unknown reason he was put out and there was appointed in his stead, without any public advertising of the position in my riding of Laprairie-Napierville, which should have been done in the normal course, a gentleman from the county of Two Mountains, the constituency of my hon. friend the Postmaster General. I have nothing to say

against the gentleman who was appointed, but I can certainly say this, that Mr. Letourneau had nobody superior to him to fill that position. It is true that when Mr. Letourneau was retired and this gentleman from Two Mountains was appointed, the Department of Indian Affairs also gave him a deputy or assistant agent, if I may call him such, who performed the functions of distributing relief in the Indian reserve of Caughnawaga. So to replace Mr. Letourneau they were obliged to appoint two men. Moreover, if I am well informed, they increased the salary of the Indian agent and gave a very high salary to the assistant agent. In view of the need for economy I am sure the hon. minister will agree with me when I say, without any undue reflection on the present administration, that certainly the government have no money to throw in the river, even in the St. Lawrence; but instead of keeping Mr. Letourneau, who carried out the functions of Indian agent and relief agent, the government appointed in his place two men, one head agent at a higher salary and an assistant agent at a very big salary.

I would like to know from the minister what the reason was for retiring Mr. Letourneau on pension and replacing him with these other two gentlemen. What is incomprehensible is this, that whereas it was the usual thing whenever there was a change of administration in Ottawa and a vacancy occurred in this position, for the government to appoint as agent a citizen of the riding in which the reserve was situated in this case they appointed a gentleman from the riding of Two Mountains, in the county of my hon. friend the Postmaster General. I assume that the minister will reply that this position was filled by promotion. He may say that the agent being unable to perform his duty was retired on pension and replaced by a superior officer from another part of the country. But in answer to that let me say that to justify themselves the administration will have to prove that Mr. Letourneau was unable to carry out his duties. Although he had asked for help from the Department of Indian Affairs they gave him only a subagent or assistant agent, and then when the department finally retired Mr. Letourneau they concluded that the work he was doing required the services of two officers, so they appointed another gentleman with an assistant from another part of the country. The Department of Indian Affairs never offered any additional help to Mr. Letourneau, although he was strenuously overworked, and finally he was compelled by the department to retire on pension.

I submit, Mr. Chairman, that in the circumstances an injustice has been done to that agent, unless the minister can explain satisfactorily why he was let out and another gentleman from Two Mountains appointed in his stead, with an assistant agent.

Before I resume my seat I would remind the minister of a petition that he must have received from his own supporters in the riding of Laprairie-Napierville, or if he did not receive it, at all events the petition was sent to the Prime Minister from the Conservatives in the riding of Laprairie-Napierville protesting very strongly against the appointment of a gentleman from outside the riding to the position of Indian agent. They claim that it was contrary to the custom, and insist that if the department was justified in relieving Mr. Letourneau he should have been replaced by a citizen of the county of Laprairie-Napierville.

To summarize I would like to know from the minister if anything has been done to improve the relief system in the Caughnawaga reserve; has anything been done to improve the hospital situation; is there any amount in the estimates for repairing the hospital, and finally what was the reason for retiring Mr. Letourneau and taking on in his place a gentleman from the county of Two Mountains?

Mr. MURPHY: I find that there is an item of $200 in the estimates for the reconstruction of a bridge over the river Suzanne at St. Isidore which is in the Caughnawaga Indian agency. In regard to the hospital about which the hon. gentleman has asked a question, it is not a departmental but a private institution. Over the years the department has assisted those in charge of the hospital in many ways, by cash grants and also by providing repairs and assisting in different directions in order that the hospital might fulfil its function. In fact, a very large sum has been spent by the department on this hospital.

Mr. DUPUIS: What is the amount this year?

Mr. MURPHY: There is nothing in the estimates for it this year. As regards the administration of the reserve, I stated a short while ago the amount of money we have placed in the estimates fort it: $3 465 for administration; $11,650 for medical services; $40,000 for relief; $1,800 for drainage, bridges and so on. I visisted the Caughnawaga reserve and met the former agent Mr. Letourneau, who lived at Ste. Constant, a village some twelve miles distant, where he carried on his private business as well as acting as Indian

agent for the reserve. I agree with the hon. member's remarks regarding Mr. Letourneau; I found him a very estimable gentleman. But that is not the point. The point is the proper administration of the reserve—and I did not say that it was improperly administered under Mr. Letourneau. But when the department is spending the amounts of money which are spent annually on that reserve, I think the hon. member will agree that it is a full time job; and Mr. Letourneau, having his private business to attend to, did not give his full time to the reserve, spending only two days a week there.

Mr. DUPUIS: Was he ever required to give his full time to that work? If so, did he refuse?

Mr. MURPHY: Not to my knowledge. But I consider that the administration of this reserve requires the services of a full time agent, and I may say that this is not the only reserve in Canada which demands the services of a full time man and which is not receiving it at the present time. Mr. Letourneau was retired, not because of any fault found with his services but in order that a better administration might be brought about. He had reached the retiring age, being sixty-seven or sixty-eight, and he was not in good health.

Mr. DUPUIS: Did he ever complain?

Mr. MURPHY: Not to my knowledge. The civil service commission were requested by the department to reclassify the agency, and on recommendation this was done and a promotional competition was held, which under the circumstances was, I think, the correct procedure. As a matter of fact that is what the civil servants of Canada state as one of the cardinal points of their policy, namely, that promotions should be held within the service wherever possible in order that those in the service may be encouraged in their work. The promotional competition was held by the commission and the present agent was appointed by the commission, not by the department, as stated by the hon. member. He has been provided with the services of a clerk, not an assistant agent, who is receiving $1,080 per annum; and under the present arrangement, with which I entirely agree, we expect to have a better administration of that reserve.

Mr. DUPUIS: What was the salary of Mr. Letourneau when he was pensioned, and what is the salary of the gentleman who is now agent in his stead?

[Mr. Murphy.]

Mr. MURPHY: The former agent received $1,380 plus $300 allowance, making a total of $1,680. The present agent receives $2,100 per annum.

Item agreed to.

DEPARTMENT OF MARINE

To provide subsidies for wrecking plants, Quebec and British Columbia, $40,000.

Mr. DUPUIS: How much of this is for Quebec and how much for British Columbia?

Hon. ALFRED DURANLEAU (Minister of Marine): This appropriation is for subsidizing wrecking plants, one at Quebec and one at Victoria. The division between the two companies has not yet been made. I might say to my hon. friend that the department has had a ten year contract with the Pacific Salvage Company, Limited, for a subsidy of $10,000 a year. This contract will expire in July next. We have had a yearly contract with the Quebec Salvage Company Limited for a subsidy of $30,000. This contract will expire next April. These subsidies are given in order to assure a perfect salvage service on the St. Lawrence and below the gulf by the Quebec Salvage Company and a similar service on the Pacific coast by the Pacific Salvage Company.

Mr. HANSON (Skeena): Would the minister tell the committee whether the Pacific Salvage Company at Victoria have made application for a renewal of the contract?

Mr. DURANLEAU: They have made application not only to renew the contract but to get a larger grant for years to come. We are now asking the committee to vote only $40,000, because we do not think we should increase these subsidies for this year. I cannot at present tell what will be the division between the two companies. The Quebec Salvage Company Limited is insisting on getting at least the $30,000 voted and paid to it every year so far and is asking for more. On the other hand the Pacific Salvage Company Limited is also asking for more. I might tell my hon. friend that the Foundation Salvage Company, which has a plant at Halifax during the winter and also a small plant at Father Point during the summer, is asking for a subsidy. No decision has yet been reached as to what will be granted to the different companies out of the $40,000.

Mr. HANSON (Skeena): The reason I asked the question was that the Pacific Salvage Company prior to two years ago had a sub-station at Prince Rupert which is six hundred miles further north, and with the

increase in shipping this is more needed now than it ever was before. At that time the subsidy was not big enough so that they had to take away the substation they had at Prince Rupert. As a consequence when anything happened to any boat on the northern coast around Prince Rupert they had to wait for the salvage boat to go the six hundred miles to the wreck. Therefore I would sincerely urge upon the minister that when the renewal is made, consideration be given to the distances on the Pacific coast, the increase in shipping and the necessity of having more than one boat. At the present time the boat is stationed at Victoria, and if anything happens up north they have to send for the boat and depend on Providence to remain afloat until the boat arrives. The subsidy should be increased for that service.

Mr. DURANLEAU: The Department of Marine realizes the importance of having on all our shores sufficient salvage plants to satisfy the needs of navigation, but on the other hand those private companies are doing a fairly good business, especially on the Pacific coast where the salvage company operates the whole year round. I must say that the Pacific Salvage Company claim a deficit in its operations last year. The Quebec Salvage Company claims a larger deficit. As the latter company is operating only seven or eight months of the year, it does less business than the other firm and thereby suffers greater loss. That is the reason why the Quebec Salvage Company was getting a larger subsidy for some years past. I think my hon. friend is mistaken when he says that the Pacific Salvage Company does not maintain a plant at Prince Rupert. I understand from the company that they are maintaining a plant there.

Mr. HANSON (Skeena): It is a private concern that has a boat there, but there is no subsidy for it.

Mr. DURANLEAU: I understand that at Vancouver they have two tugs, the Helac 1 and the Helac 2. They have in addition three powerful floating derricks. I understand that they have at Prince Rupert a salvage station, with derricks, diving gear and general salvage equipment.

Mr. HANSON (Skeena): It is a private company that has done salvage work and it used to do it under the direction of the Pacific Salvage Company, but I understand now that that company is not giving it any of the subsidy, so it is having quite a struggle to keep going.

Item agreed to.

Ocean and river service—

Miscellaneous and unforeseen expenses, $8,000.

Mr. MERCIER (Laurier-Outremont): The session before last I put a question to the minister as to what was being done about deepening the harbour of Montreal. At that time the minister gave me a very satisfactory answer when he said that a board of engineers and experts from the department had been formed to study the deepening of the harbour of Montreal between that city and lake St. Peter. Since then I understand work has been carried on by this board of experts, but the situation in the port of Montreal towards the end of the summer season when the water level is very low is important. Can the minister give any information to the committee, the citizens of Montreal and the shipping interests as to what progress is being made in this work of deepening the channel in the harbour of Montreal?

Mr. DURANLEAU: As I told my hon. friend at that time, a board of engineers composed of experts of the marine, public works, railways and canals and interior departments was formed with the object of ascertaining the cause of the lowering of the level of the St. Lawrence and the means of remedying that situation. This board has held many sittings since last year. Field operations have been carried on during the whole season of navigation, and now for nearly a month they have been working on an interim report. That report on the water levels of the St. Lawrence and Montreal harbour, which will be a very important one, will be ready, I understand, probably within a week. I agree with my hon. friend when he says that work should be done to deepen Montreal harbour. I do not think that the harbour at Montreal has kept pace with the work done in the channel of the St. Lawrence. Within a few months, probably by June next, we shall have in the channel of the St. Lawrence a depth of at least 32½ feet clear at lowest water in the fall. They have not that depth in Montreal harbour. My intention is to try to carry out deepening works in Montreal harbour if the interim report of the board of engineers warrants it.

Mr. MERCIER (Laurier-Outremont): Would that work be done by the department or by the Montreal harbour commission?

Mr. DURANLEAU: I hope the government will sponsor those works. I do not think the harbour commission of Montreal can carry them.

Item agreed to.

Radio service, to provide for the maintenance and construction of radio direction finding stations, radio beacons and radiotelegraph stations and the general administration of the provisions of the Radio Act and regulations throughout the dominion, $590,550.

Radio service, to provide for the suppression of local electrical interferences and for the issue of radio receiving licences, $263,038.

Mr. CASGRAIN: Stand. These go with radio.

Items stand.

To provide for the maintenance and repair of retaining dams in the St. Lawrence river, $100,000.

Mr. MERCIER (Laurier-Outremont): What are these retaining dams?

Mr. DURANLEAU: This is for the maintenance and repair of the underwater dams which were built in 1928 and 1929 at the islands at Sorel. We have to maintain them at the proper level.

Mr. MERCIER (Laurier-Outremont): Has the construction of these dams produced satisfactory results?

Mr. DURANLEAU: I do not want to anticipate the report of the board of engineers, but I think it has.

Mr. MERCIER (Laurier-Outremont): They have been in existence for some time, have they not?

Mr. DURANLEAU: The Gibb report stated that there was five inches more water in the harbour of Montreal, and I think that the report of the board of engineers will perhaps go further. These dams were built during the years 1928, 1929 and 1930.

Mr. DUPUIS: Does the retaining wall at Beloeil and St. Hilaire come under this item, or under public works?

Mr. DURANLEAU: I am pleased to tell my hon. friend that in front of Beloeil and St. Hilaire there is no retaining wall.

Mr. DUPUIS: For retaining electors.

Mr. DURANLEAU: These places are fine summer resorts where you can go canoeing or yachting or anything you like. There are no retaining walls.

Mr. DUPUIS: There was work done at Beloeil and St. Hilaire; what does the minister call that?

Mr. DURANLEAU: Well, where it was found necessary some protection walls were built, as in other places where the public road was falling into the river on account of the wash from navigation.

[Mr. Duranleau.]

Mr. DUPUIS: What amount has been spent at Beloeil and what amount at St. Hilaire?

Mr. DURANLEAU: Very small amounts, around $12,000 to $13,000 for Beloeil and $6,000 for St. Hilaire. I hope my hon. friend will not find any fault with those works, because they are very useful.

Mr. DUPUIS: No, not if they are useful.

Mr. BARRETTE (Translation): Would the hon. minister tell me if it is the intention of his department to pay for the damages caused by the construction of a dam at Ile aux Ours?

Mr. DURANLEAU (Translation): Mr. Chairman, if any claims are sent to the Department of Marine, they will be looked into and submitted to the Department of Justice and I can assure my hon. friend that justice will be done to the people who live in these islands.

Mr. DUPUIS (Translation): Are there any bears in these islands?

Item agreed to.

To provide for the investigation of water levels in the St. Lawrence river, $40,000.

Mr. DUPUIS: I understand that the level in the neighbourhood of Montreal and Laprairie is now so low that the people are rather afraid of what may come. Has the minister any information as to the cause of the low water level in the river, and is he able to assure the committee that the level will be raised? At Laprairie the water is so low that we can walk on the bed of the river for miles.

Mr. DURANLEAU: Members of the committee know that the water level in the rivers and the great lakes has gone down considerably in recent years.

Mr. CASGRAIN: Since 1930 when the Tories came into power. But now is their valedictory.

Mr. DURANLEAU: I do not know if there was a valedictory during the regime of my hon. friends, but this lowering started long before the election of 1930.

Mr. CASGRAIN: You were on the crest of the wave then.

Mr. DURANLEAU: I observe that the level of lake Ontario in certain years was lowered over four feet. This has happened all over the country. The board of engineers has been studying that problem and I understand that their interim report will deal with it, so I would not venture to say anything before their report is laid before the house.

Mr. DUPUIS: I want to call the attention of the minister to the danger of this situation, and to endeavour to induce him to hasten the matter. The town of Laprairie is suffering considerable damage through lack of water for fire protection and with respect to the water supply generally. I am sure the minister will admit that the situation must by the same in St. Lambert, Longueuil, Boucherville and all those towns and villages on the shore of the St. Lawrence. It is highly important that this matter should be dealt with without delay, and I would ask the minister to see that the officers who are investigating this situation submit their report at the earliest date possible. What would be the situation in Laprairie if a great fire should take place there? They have to go miles from the shore in order to get water. This is not a political question, and I ask that it be dealt with as soon as possible, because at any time we might have a conflagration in any of the towns on the shore of the river. I may add that the water supply of these communities is affected as well.

The minister said that the level of the river is becoming lower year after year, but he did not give the cause of that condition; he said he was awaiting the result of the investigation. I have been told that it is partly due to the fact that the Chicago drainage canal uses more water than that city is entitled to obtain under the international agreement. I should like to obtain the minister's opinion on that point, because the people living on the shore of the St. Lawrence river are very anxious to have this question settled.

Mr. DURANLEAU: The Department of Marine and the minister in charge are fully alive to the situation. We realize the importance of having sufficient water in the St. Lawrence for navigation and the other purposes mentioned by my hon. friend, but the situation cannot be remedied in a day or a month. I think what I have done by setting up a board of outstanding engineers from the different departments is commendable. This board has been working very hard for over a year.

Mr. DUPUIS: It takes a long time.

Mr. DURANLEAU: Yes. They have had to do field work; they have gathered data and information during the whole season of navigation, and they will continue their investigations next season. This information is of the utmost importance in preparing a report on which we will have to rely in making large expenditures to ameliorate the condition. I do not think it fair that I should be asked to give an opinion on the situation; I think I should await the report of the board before doing so.

Mr. DUPUIS: I just want to tell the minister that if he does not press this matter to a conclusion in the near future the people on the south shore will be able to cross the river on foot, and the bridges will not bring in any revenue. Then the minister's promise to make the bridges free will bring no result in the next election.

Mr. SULLIVAN: If they are Conservatives they will be welcome in Verdun and St. Ann.

Item agreed to.

Meteorological service, including magnetic observatory, grants of $450 each to Kingston and Montreal observatories and allowance of $360 to L. F. Gorman, observer at Ottawa, $360,000.

Mr. CASGRAIN: What is the reason for the increase?

Mr. DURANLEAU: The increase results from the extension of our operations in the western provinces.

Item agreed to.

Steamboat inspection, $133,072.

Mr. REID: I wonder if we could get a little explanation with regard to what the steamboat inspection consists of, what boats are inspected and who are the inspectors.

Mr. DURANLEAU: This appropriation is to provide for the inspection of steamboats in accordance with the provisions of part VII of the Canada Shipping Act. Under the provisions of that act the governor in council makes regulations for the testing of boilers, particularly as to their construction and working. It provides for the inspection of hulls, machinery and the equipment of steamboats, and also for the examination and certification of steamboat engineers. Further, it provides for the inspection of tackle used in loading and unloading ships, and the carrying out of the provisions of the convention for the safety of life at sea and the load lines convention.

Mr. REID: How many inspectors are there on the Pacific coast?

Mr. DURANLEAU: There are 45 employees in the branch.

Mr. CASGRAIN: What is the reason for the increase?

Mr. REID: The minister mentioned the inspection of tackle. I wonder if any such inspection is now taking place. Last year

when the Canada Shipping Act was under discussion I appealed to the minister to have its provisions put into effect so that the inspection of tackle could be carried on at the port of New Westminster. The minister informed me that until the act was proclaimed an inspector could not be named for that port.

Mr. CASGRAIN: The act has not been put into force.

Mr. REID: A moment ago the minister told the committee that under this vote the inspection of tackle is carried on by the inspectors. I wonder if they really are inspecting tackle at this time. Where are the inspectors? At what ports are they located?

Mr. DURANLEAU: So far as tackle inspection is concerned the provisions will not be put into operation until the proclamation of the new act. There are seven inspectors on the west coast, namely: Mr. Robinson, Mr. Matthews, Mrs. Farrow, Mr. Stephen, Mr. Bryden, Mr. Sleigh and Mr. Edmonds. The six gentlemen first named are in Vancouver, and Mr. Edmonds is at Victoria.

Mr. REID: May I have the assurance of the minister that after the act has been proclaimed by the governor in council tackle inspectors will be appointed at the various ports? I am referring to those ports which have not been subject to the operations of a tackle inspector, and I have in mind particularly the port of New Westminster. Last Year 456 ocean going vessels reached that port. Those were vessels of between 7,000 and 9,000 tons, and no inspection of tackle took place. The minister now informs me no inspectors can be appointed until the shipping act has been proclaimed. Will an inspector be appointed for the port of New Westminster as soon as the act has been proclaimed by the governor in council?

Mr. DURANLEAU: I am not in a position to tell the hon. member that a special inspector will be appointed for the port of New Westminster alone, but I can tell him that reasonable inspection will be made at that port, as is done at the ports of Victoria, Vancouver and Prince Rupert. It may be that the same inspectors would do the job at two places. When we apply the law we will see whether or not it is necessary to appoint a special inspector for the port of New Westminster, and if necessary such appointment will be made. At all events, reasonable inspection will be granted.

Mr. REID: I do not wish to hold up the proceedings of the committee, but I am anxious to get the information for which I am asking. At the ports of Vancouver and Victoria are there at the present moment any government inspectors inspecting the tackle on ships?

Mr. DURANLEAU: No, there are no special tackle inspectors, but there are steamboat inspectors.

Mr. SANDERSON: I should like the minister to explain the increase of $5,964.

Mr. DURANLEAU: This increase is for travelling expenses and a small increase of staff.

Mr. CASGRAIN: Because of the approaching election?

Mr. DURANLEAU: In order to give better service.

Mr. MacINNIS: Over a year ago regulations were drawn up providing for the inspection of tackle. Have those regulations not been put into effect?

Mr. DURANLEAU: No, they have not.

Mr. MacINNIS: What is the reason? When the estimates were under consideration last year the minister gave us to understand that it would be only a matter of a short time before the regulations would be put into effect. Why was that not done?

Mr. DURANLEAU: We are awaiting the proclamation of the act.

Mr. MacINNIS: Is it necessary that the act be proclaimed before an inspector is appointed for the port of Vancouver to inspect the tackle used in loading and unloading ships? Surely that is something which could be done, even if the shipping act were not in effect. Action could be taken under the old act.

Mr. DURANLEAU: My information is that effective action could not be taken under the old act.

Mr. MacINNIS: Were not the regulations approved by the department?

Mr. DURANLEAU: The department has drafted regulations which have been circulated among the shipping interests, the stevedores and ship workers, and we are awaiting the return of their suggestions.

Mr. MacINNIS: I think that is the answer I got last year, namely that the government were awaiting the approval of or suggestions from the shipping interests and the stevedores. How long must we wait before the regulations become effective?

Mr. DURANLEAU: As I stated previously, when the new act is proclaimed the regulations will be submitted to the governor in council for approval, and will then be put into effect.

Mr. NEILL: Is there not a provision in the shipping act amendment bill passed last year to the effect that certain sections alone could if necessary be made effective? I believe it is not necessary that the whole act be proclaimed. The governor in council could proclaim those sections which could not have much to do with international matters. As the hon. member for Vancouver South has said, we received the same answer last year. Apparently the minister has done with the regulations what we urged him to do with the bill to amend the shipping act. Hon. members suggested that before the bill was finally passed it should be circulated for the information of the interests concerned, so that we might receive the benefit of their suggestions. He did not accept our advice, preferring first to have the bill passed. We are now left in the air, without any act, or at least without any improvements.

Mr. DURANLEAU: It is the intention of the department to have certain parts of the act proclaimed before the spring.

Mr. NEILL: Before when?

Mr. DURANLEAU: Before the opening of navigation.

Item agreed to.

To appoint David Ballantyne Carswell as superintendent of the government shipyard at Sorel and superintendent of the dredging fleet at a salary of $8,000 per annum less such deduction as may be provided, $8,000.

Mr. CASGRAIN: Would the minister explain this item?

Mr. BARRETTE (Translation): Could the minister tell me why Mr. Carswell's salary has been raised?

Mr. DURANLEAU: Mr. Chairman, in reply to my hon. friend from Berthier-Maskinongé, as I have already told him personally, the reason why Mr. Carswell will be appointed not only superintendent of the shipyard at Sorel but also superintendent of the dredging fleet is in order to reduce the cost of repairs. I am pleased to be able to state to this committee that since Mr. Carswell has been appointed acting superintendent of the shipyard at Sorel, we have reduced the cost of our repairs by over $100,000. He is an outstanding marine engineer and a first class superintendent.

Mr. MERCIER (St. Henri): Then give him ten per cent. Give him $10,000; he is worth it.

Mr. DURANLEAU: We felt that it would be in the best interests of the service if he was given power to survey the fleet during the whole season of navigation to see what repairs were necessary, to supervise the personnel and see that repairs were made to the fleet at the lowest possible cost.

Mr. SANDERSON: Following out that argument, the minister may say that if he had appointed two or three men he would have reduced the expenses just that much more.

Mr. CASGRAIN: Might I ask the minister one last question? Has the department considered the advisability of appointing a deputy minister to the department? This question has been hanging fire for about three years now, and the country is interested in knowing if a deputy minister will be appointed shortly.

Mr. DURANLEAU: If I remember well, last session in answer to the very same question of my hon. friend, I stated that the appointment of the heads of the department was the prerogative of the Prime Minister. So I think my hon. friend should direct his question to the Prime Minister. I am pleased to add that the public service has not suffered through there being no deputy minister in my department.

Mr. VENIOT: Then why appoint one?

Mr. CASGRAIN: We might as well save the money.

Mr. DURANLEAU: We have had the services of an assistant deputy minister and the minister has also done his share.

Mr. CASGRAIN: I know it.

Mr. DURANLEAU: And all the officials of my department have been very attentive to their duties, as I think my hon. friend will agree.

Mr. CASGRAIN: I pay tribute to them myself.

Mr. DURANLEAU: The department has been well administered without a deputy minister.

Mr. CASGRAIN: I am pleased to join with the minister in paying tribute to the officials of his department and himself, and my hon. friend knows that I mean it. But the minister has explained to-night that the administration of his department has not

suffered at all from the fact that there has been no deputy minister in the past three years. In that case you might as well increase the salary of the acting deputy minister and of his first assistant, and why not do the same thing in the other departments? Here is one of the largest departments in the government, spending hundreds of thousands of dollars daily, and for three years it has got along without a deputy minister and things have been running smoothly, the minister says. We ought to know whether the time has not arrived when we should dismiss the idea of appointing a new deputy minister at all and get along with the services of the gentlemen who are now acting as deputy and assistant deputy. If they are giving good service their salaries might be increased and the position of deputy minister of the department abolished. If that is not the idea of the government, they should not delay any longer in deciding when the appointment is to be made. The Prime Minister has a program of reform, and he said that these reforms must start immediately. Well, this question has been hanging fire for the last three years, and each time I have asked the minister about it he has kindly and honestly said that it was the privilege of the Prime Minister to fill that office. But no doubt the advice of the minister also helps. The minister must give his opinion. The country is interested in knowing when this appointment is to be made. I am told that there are a good many candidates for the office and good officials, and the question is whether things are going to stay as they are, or if not, when is the vacancy to be filled?

Mr. SULLIVAN: It is very seldom, Mr. Chairman, that I take part in the discussions concerning the Department of Marine, but as the harbour at Montreal is in the riding which I have the honour to represent very humbly in this house, may I suggest to this country, because when a member speaks in this house he is speaking to the country at large, that it return at the next election the same Prime Minister, who will choose the same Minister of Marine who is now acting both as minister and deputy minister of his department with such great efficiency and such a saving to the country. He knows his department and is evidently a great administrator.

Mr. STEWART (Edmonton): It is all very well to joke about this matter, but either the department needs a deputy minister or it does not. The present situation is almost a public scandal, not only with respect to this position but the other vacancies which are awaiting appointments. No one regrets the Prime Minister's illness more than I do and that he is not able to be present in the house, but if he were in his place I would say the same as I am saying now, and that is that the government are taking very grave chances, because, if one is any judge of what is about to happen, they will not be in power very long, and it means that they are going to place a group of eighteen or twenty individuals in jeopardy, and that is most unfair to the men they appoint. It is unfair also to the officials of the Department of Marine who have been waiting for three years for a deputy minister. It is in fact a flaunting of authority, as this government has been doing in every direction since it has taken control of public affairs in this country. It is a public disgrace the way these matters are being treated, and the Minister of Marine cannot explain it away by saying it is the business of the Prime Minister to make the appointment. True it is the business of the Prime Minister. As I say, no one regrets his illness more than I do, but now that the matter is up we might as well say what we think about it. If it is the intention to retain this position of deputy minister of the Department of Marine for some member whose riding the government does not want to take the chance of opening—we might as well talk plainly—then I say all the more disgrace. But that is the situation as it appears not only to this side of the house but to this country generally. Moreover, there are officials surely in the department who are quite efficient to take charge of the department, and if the present assistant deputy minister has been able to carry on as stated by the minister, then surely he has some claim on the position. It is all very well to joke about it, but it is really no joke. Either you need a deputy minister or you do not. If it is a case of keeping the position open for some member on the other side and the government is afraid to let him resign and open his constituency and have a by-election, then all the more reason I say why this government should appeal to this country at once

Mr. NEILL: The trouble extends beyond an individual deputy minister; the whole civil service is honeycombed with the same thing. Positions have been abolished, possibly with the idea of economy; but somebody has to take the place left vacant and we find that men are put on temporarily. But you cannot get good work out of a temporary man who is likely to be fired on a change of government or for some other reason. And another

point to consider is that he is not contributing to the superannuation fund, so that by and by there will be a third of the service not contributing to it. It is not only one deputy minister here and there; it is the same thing right through the service down to some of the smaller officials. Every now and then the government says that all positions vacant at the moment will be abolished; but you are not abolishing a position if you have to fill it the next day. Some man is put on temporarily, receiving the regular salary, but he is not allowed to contribute to the superannuation fund. We find this everywhere—a man doing one man's job, a telegrapher, a doctor, and people of that kind. You must fill the job, and yet under the system that has been inaugurated these positions are left vacant. There must be scores of positions like that, and the morale and efficiency of the service are being destroyed. I am not talking about one man; I am speaking of the whole principle of leaving positions vacant, and I venture to say that if the various ministers asked their deputies frankly they would agree with me that it is demoralizing.

Mr. BARRETTE (Translation): Mr. Chairman, I consider that this raise of salary to $8,000 is unjustified. In 1911, a senior clerk was in charge of the yard and his salary amounted to $2,800, I think. Mr. Lacouture succeeded him and received the same remuneration. Mr. Jackson succeeded Mr. Lacouture with a salary of $3,000. I want to call your attention to the fact that at that time 800 men were employed. From 1921 to 1930, the average number of men at work in the shipyard of Sorel was 800. The position was filled by Mr. Baril and then by Mr. Bridges. The latter received a salary of $3,500, I believe, and it was afterwards raised to $4,000 and even to $4,500. And I must say to the house that at that time the yard was busy, all repairs to the ships of the government being done there, and up to 1,760 men were employed. Now only 400 are employed and the superintendent gets a raise of salary from $5,000 to $8,000, because the number of workers has dwindled from 1,760 to 400.

Besides, a bilingual man has always been in charge of the shipyard at Sorel. There, in the centre of the province of Quebec, they are putting in charge a certain Mr. Carswell who does not understand a word of French. I say it is ridiculous, it is an insult to the province of Quebec. I have protested and I protest most emphatically from my seat in this house, and I am against the salary increase given Mr. Carswell.

Mr. CASGRAIN (Translation): How many men are employed in the yard, nowadays?

Mr. BARRETTE (Translation): 407.

Mr. CASGRAIN (Translation): How many ships are there?

Mr. BARRETTE (Translation): There are no more.

Mr. CASGRAIN (Translation): Has the minister any answer to give us?

Mr. BARRETTE (Translation): I may point out that there is at Sorel a government-owned fleet comprising several dredges and boats. These dredges and boats have not been repaired for several years. It is a matter for wonder that these boats have remained tied to the wharves, without anything being done to maintain or repair them, that they are not used, that they are not placed in commission throughout the year. None of the dredges have been placed in commission in 1933 or 1934. This year, the sum of $1,140,000 is to be expended and the same number of boats will be used as last year. If Mr. Carswell's salary is to be increased, he should be given more work to do. On the contrary, I hear that work that could be performed at that yard is given to private companies, such as the Joliette Steel Company and others.

I wonder why the interests of the department are not better looked after and why the French Canadians of the district of Sorel are not treated more justly. I have received protests from all parts of Richelieu, Berthier-Maskinongé and adjoining counties. People are asking why such a state of affairs is allowed to continue at Sorel. I have received numerous letters, even from colleagues, asking me to protest. I will read one:

Ottawa, March 5, 1935.

Mr. J. A. Barrette, M.P.,
House of Commons,
Ottawa.

Re: Carswell, Superintendent of the Sorel Ship-yard

My Dear Colleague,—

I have the honour to acknowledge receipt of your letter of February 28 regarding Mr. Carswell, superintendent of the Sorel ship-yard.

Your letter raises several points.

First, the question of salary, which, I presume, appertains to the minister, subject, of course, to the approval of the house, all grants being voted by the Commons.

Secondly, you say that Mr. Carswell is not bilingual. The minister must be unaware of

this, for mindful as he is of the interests of his race and of his party, he would not tolerate such a thing. A large number of letters of protest apparently coming from members of the house would suffice to put an end to such a state of affairs.

Thirdly, you say he is a find of the minister's. My answer to that is that, under our democratic system, the ministers are chosen from among the members—a minister has to be a member either of the Commons or of the Senate—and the support of a majority of the house is necessary to form a cabinet. A minister may have his own opinion and ideas, but he must yield to the wish of the majority of the house expressed either verbally or by letter.

In France, as in England, a minister who refuses to accept the wish of the majority of the members of his district would be forced to withdraw. For my part, I have no hesitation in stating that I would abandon a party that departed from the principle of democratic representation as expressed to the minister by the members.

Believe me, my dear colleague,
Yours very truly,
(Signed) John A. Sullivan,
Member for Verdun-St. Ann.

I could read several more letters received from colleagues.

Mr. SULLIVAN (Translation): Do read them.

Some hon. MEMBERS (Translation): Read them.

Mr. RHEAUME (Translation): Name them.

Mr. BARRETTE (Translation): Here is, among others, one from Sir George Perley.

Ottawa, March 3, 1935.

Dear Mr. Barrette,—
I duly received yours of February 28th, in connection with the position of superintendent at the Sorel ship-yard.
The appointment to that position being a matter for the Marine department, I mentioned the matter to the Hon. Mr. Duranleau and forwarded your letter to him with the request that he communicate with you personally.
I beg to remain, dear Mr. Barrette,
Sincerely yours,
(Signed) George H. Perley.

I also received a letter of protest from the hon. member for Richmond-Wolfe (Mr. Laflèche).

An hon. MEMBER (Translation): A good Canadian!

Mr. BARRETTE (Translation): A real patriot! Mr. Laflèche's letter reads as follows:

My Dear Colleague,—
Re Mr. Carswell
I beg to acknowledge receipt of your letter of February 28th, and I wish to state that I entirely agree with you in connection with this matter.

[Mr. Barrette.]

Furthermore, I shall be pleased to support any objections that you might raise concerning the appointment of this gentleman to the position mentioned by you.

Sincerely yours,
(Signed) F. J. Laflèche, M.P.,
Richmond-Wolfe, P.Q.

I also received a letter of protest from Mr. Onésime Gagnon, member for Dorchester.

Mr. RHEAUME (Translation): Read it.

Mr. BARRETTE (Translation):

My Dear Colleague,—
I am in receipt of your letter.
I am quite prepared to help you in so far as it is in my power.
Yours truly,
(Signed) O. Gagnon,
Member for Dorchester.

Mr. FAFARD (Translation): It is not a very long letter.

Mr. RHEAUME (Translation): Let us have the opinion of the member for Compton (Mr. Gobeil).

Mr. BARRETTE (Translation): The member for Compton has not as yet had time to reply to my letter. I am waiting for his answer and I shall read it when I have another opportunity.

I feel that after all the protests on the part of members from the province of Quebec, the resolution confirming that increase of salary to $8,000 should not be passed and I strongly oppose such an action.

Mr. SULLIVAN: I do not know whether I should talk French or English, but I believe it is better for me to speak the language of the majority of the committee, although it might be easier for me to speak French which is the language I know best. The letter I sent to my hon. friend was not marked confidential. I did not expect it to be confidential nor that it would be read in the house. It proves once more that I have always been a champion of minorities in my province and in the whole of Canada.

Mr. BOUCHARD: Come with us..

Mr. SULLIVAN: My hon. friend says "Come with us." Of course I have belonged to the Conservative party for many years, and so far as I can remember and from reading history, from the days of 1774, from the constitutional acts of 1791, 1840, 1867, and right along, and if you like, from what has happened in Manitoba, Saskatchewan and Alberta, I believe the Conservative party has always been the champion of minorities. But I am going a little far afield and I beg to be excused.

As a member of parliament I am getting $4,000 a year less ten per cent, and it costs me about $5,000 a year to live in Ottawa. The governor of the Bank of Canada gets $25,000 or $30,000 a year. I suppose he is a better man than I am and I presume a man should be paid what he is worth. My good friend the hon. member for St. Henri said to the minister "If this man saves $100,000 a year, give him $10,000; if he saves $200,000, give him $20,000; pay a man what he is worth." I believe in that principle.

Mr. MERCIER (St. Henri): Pay him what he is worth.

Mr. SULLIVAN: The hon. member for Berthier-Maskinongé is a man who has always been faithful to his race. He has always upheld the principle of bilingualism. If this gentleman in question does not understand French, and in charge of men knowing and speaking only the French language, he should be removed. In Quebec, a man is not allowed to go on the bench if he does not understand French and English, and a man should not hold any position of government responsibility in Quebec if he does not speak and understand both languages. That is a principle I believe in. But to come back to my letter, what I said in it I believe in. It was not confidential, but was not intended to be made public; it was sent to my good friend the hon. member for Berthier-Maskinongé and I stand by what I said in it. I see across the aisle my good friend and ex-partner, the hon. member for Laurier-Outremont, one of the finest of men. He represents a great name and I know at the next election he is likely to be returned; with his name he cannot avoid it. But he is bilingual. When he came to this country he could speak only English. He has the advantage of having a great name; he belongs to a great family and now he can talk both languages. I hope this official in the Department of Marine, if he is going to get $8,000 a year, will learn French. That is my principle and will explain my letter.

Mr. VENIOT: When the question arose of this new appointment, because I believe it is actually a new one, at a salary of $8,000 a year, the minister was asked why this man was appointed. He stated that this man was appointed because they were making him permanent now on account of the saving he had made in the maintenance of the Sorel shipyard and matters connected with it. The minister ought to give us a further explanation. The hon. member for Berthier-Maskinongé, speaking in French, has stated that not so much work is being done there; that fewer men are being employed than there were in past years, and that therefore there is not the same necessity for having such an expensive person in charge. Would the minister tell us what the expenditure has been since this man has been in charge? When did he take charge? Was it last year?

Mr. DURANLEAU: This man was appointed acting superintendent in October, 1933.

Mr. VENIOT: So that he has been in charge for over a year now?

Mr. DURANLEAU: Yes.

Mr. VENIOT: Would the minister inform the committee what number of vessels, dredges and other boats have been repaired in 1932, 1933, and 1934, and the cost of each?

Mr. DURANLEAU: It is now almost eleven o'clock. At the next sitting I shall be pleased to answer any question put to me about these matters, and I shall also answer the hon. member for Berthier-Maskinongé on the questions he has raised.

Item stands.

Mr. GORDON: I would like to call item number 9 on page 8.

Some hon. MEMBERS: Eleven o'clock.

Mr. GORDON: Might I explain to the committee that I would like to open the department of Immigration and Colonization if I can to-night.

Mr. MERCIER (St. Henri): All right.

IMMIGRATION AND COLONIZATION

Salaries and contingencies, $194,150.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 6, 1935

The house met at three o'clock.

PRIVATE BILL

Mr. S. W. JACOBS (Cartier) moved:

That the petition of Austin Eugene Stansfield, presented on the 5th instant, praying for a bill of divorce from Laura Lougheed Stansfield, together with the report of the clerk of petitions thereon, be referred to the standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

QUEBEC HARBOUR—PUBLIC WORKS

Mr. LAPOINTE:

In reference to the reply given by the Minister of Marine, page 1297 of Hansard, with regard to works in the harbour of Quebec under the Public Works Construction Act, what are the names of the firms or persons who were asked to send tenders?

Mr. DURANLEAU: The following firms were invited to tender for works being done in the harbour of Quebec under the Public Works Construction Act:—

Delphé Maranda, Roméo Vachon, Colonial Construction Co. Reg'd., Cummings Construction Company, Joseph Nolin, Amédée Latulippe, Amédée Demers, Abel Ratté, Morton Engineering & Drydock Company, Frontenac Lumber Company.

IMPORTATIONS OF ALCOHOL

Mr. CARMICHAEL:

1. What quantity of alcohol both absolute and non-absolute, was imported into Canada in 1934?
2. What was the total value of the 1934 alcohol importations?
3. From what countries did we import alcohol in 1934 and what was the value and quantity from each such country?
4. How much alcohol was manufactured in Canadian distilleries in 1934?
5. What was the value of the alcohol distilled in Canada in 1934?

Mr. HANSON (York-Sunbury):

	Calendar year
1.	1934
Butyl alcohol.. .. .. ..Lbs.	1,915,794
Other industrial alcohols:	
Pf. gals..	25,208
Gals..	37,593

2. Calendar year 1934, $274,279.

3.

	Calendar year 1934	
Butyl alcohol—	Pounds	$
From United Kingdom.	201,600	28,470
United States....	1,714,194	169,521
Total..	1,915,794	197,991

Other industrial alcohols—		
(In proof gallons)	Pf. gals.	$
From United Kingdom.	8	41
United States. ..	20,296	13,434
France..	49	298
Jamaica.	4,855	16,720
Total..	25,208	30,493

Other industrial alcohols—		
(In gallons)	Gals.	$
From United States. ..	37,503	45,673
China..	90	122
Total.	37,593	45,795

4 and 5.	Calendar year 1933	
	Pf. gals.	$
Non-potable alcohol.. ..	1,429,602	599,698
Denatured alcohol.	2,141,537	956,605
Total..	3,571,139	1,556,303

Note.—No information available respecting production of alcohol in Canada in 1934.

IMPORTATIONS OF PETROLEUM OILS

Mr. CARMICHAEL:

1. What was the total importations into Canada for the year 1934 of (a) crude or partially refined petroleum oils; (b) coal tar benzol; (c) tetraethyl lead, etc.; (d) refined gasoline?
2. What was the value of each of the four items in the above question?
3. What duty was collected on each of the four items in the above question?
4. From what countries did these importations come, and what quantity of each of the items in the above question was imported from each country?
5. What were the total gasoline sales in Canada by the retail trade in 1934?

Mr. HANSON (York-Sunbury):

1. Year ended March 31, 1934:
   (a) 1,063,539,693 gallons.
   (b) No information available.
   (c) 1,398,928 pounds.
   (d) 15,108,093 gallons.
2.
   (a) $24,962,149.
   (b) No information available.
   (c) $981,064.
   (d) $1,329,095.
3.
   (a) $317,537.37.
   (b) No information available.
   (c) $98,106.40.
   (d) $377,701.31.
4.

(a) Imports from—	Gallons
United Kingdom..	4,200
United States..	732,115,085
Alaska..	3,640
Colombia..	108,165,158
Dutch West Indies..	35,336,880
Mexico..	855,666
Peru..	116,555,315
Russia (U.S.S.R.)	1,958,368
Venezuela..	47,853,793
Trinidad and Tobago..	20,691,588

(b) No information available.

(c) Imports from—	Pounds
United States..	1,398,928
(d) Imports from—	Gallons
United States..	12,776,327
Alaska..	21,020
British East Indies..	376
Dutch West Indies..	2,310,370

5. 481,126,000 gallons.

TOBACCO EXPORTS

Mr. SEGUIN:

What quantity of tobacco was exported to the United Kingdom in 1930 and in 1934 respectively: (a) from the province of Quebec; (b) from the province of Ontario; (c) from all parts of Canada?

Mr. MATTHEWS:

Canadian Exports to United Kingdom of Unmanufactured Tobacco in the Fiscal years ended March 1930 and 1934

	Fiscal year 1930 pounds	Fiscal year 1934 pounds
(a) Through ports in the province of Ontario..	1,458,678	582,716
(b) Through ports in the province of Quebec..	707,282	3,938,091
(c) Through all Canadian ports..	5,293,167	8,288,753

(a) and (b). The figures represent exports through ports of exit in these provinces. No information is available from departmental returns, showing separate amounts of goods exported originating in each province.

HIGH COMMISSIONER FOR CANADA

Mr. POULIOT:

1. Were any increased powers entrusted by the dominion government to the High Commissioner of Canada in London since 1930?

2. If so, what are they and when and why did it occur?

Sir GEORGE PERLEY: No change has been made in the powers of the High Commissioner as set forth by (43 Vic., cap. 11) the statute creating his office, and by order in council P.C. 330 of the February 10, 1922, which provided that "all the official activities of the various agencies of the Canadian government in the United Kingdom should be placed under the supervision of the High Commissioner." Administrative steps were taken in 1931 to ensure more effective execution of order in council P.C. 330.

IMPERIAL ECONOMIC CONFERENCE (1932) AGENDA

Mr. POULIOT:

1. On what date was the complete agenda of the Imperial Economic Conference (1932) forwarded for the first time by the Canadian government to the Right Hon. J. H. Thomas, Secretary of State for the Dominions?

2. Was it by mail or by cable?

3. In the latter case, why?

4. On what precise date was it completed?

Sir GEORGE PERLEY:

1 and 2. On May 23, 1932, a draft provisional agenda for the imperial economic conference was telegraphed simultaneously to the Secretary of State for Dominion Affairs, London, and to the governments of Australia, New Zealand, South Africa and the Irish Free State, together with a request for the views of the governments on the proposed agenda. The agenda was communicated by mail to the government of Newfoundland.

3. To secure simultaneous receipt of the proposals by all countries to be represented at the conference.

4. Following an interchange of views by telegraph between all the governments represented at the conference the final provisional agenda was completed on July 2, 1932, and published by unanimous consent on July 12, 1932.

CANADIAN FARM LOAN ACT—QUEBEC APPLICATIONS

Mr. ROBERGE:

1. How many persons in the province of Quebec applied to the federal government for a loan in 1934, under the terms of the Farm Loan Act?

2. What was the total amount involved in such loan applications?

3. How many persons secured a loan?

4. What was the total amount loaned to such persons?

Mr. RHODES: Statistics are kept by fiscal years only. In the year ended March 31, 1934, there were 779 applications for loans aggregating $1,541,711. The number of loans granted was 140 and the amount $222,900.

L'ISLET COUNTY, QUE., POSTMASTERS

Mr. FAFARD:

1. What are the names of the postmasters of Sainte-Perpétue, Saint-Pamphile and Saint-Adalbert, in the county of L'Islet, province of Quebec?

2. What salary is paid to each such postmaster?

Mr. SAUVE:

1 and 2.

Post office—Name of postmaster—Salary—

Sainte Perpétue, Mrs. Victoria M. Legacé, $612.86; Saint Pamphile, Joseph Pierre Chouinard, $1,135; Saint Adalbert, Michel Duval, $195.87.

REVENUE FROM GOLD TAX

Mr. MacLEAN:

1. What was the total amount of money received from the gold tax up to January 31, 1935?

2. What are the names and addresses of the different companies paying this tax, and the amount paid by each up to January 31, 1935?

Mr. RHODES:

1. $5,883,711, subject to adjustment in respect of income tax.

2. The companies included in the category of those liable for the tax are as follows:

Consolidated Mining and Smelting Co. of Canada, Ltd., Trail, B.C.

Dome Mines, Ltd., South Porcupine, Ont.

Hollinger Consolidated Gold Mines, Ltd., Timmins, Ont.

International Nickel Co. of Canada, Ltd., Copper Cliff, Ont.

Lake Shore Mines, Ltd., Kirkland Lake, Ont.

McIntyre Porcupine Mines, Ltd., Schumacher, Ont.

Noranda Mines, Ltd., Noranda, Que.

Pioneer Gold Mines of B.C. Ltd., Pioneer Mines, B.C.

Premier Gold Mining Co. Ltd., Premier, B.C.

Siscoe Gold Mines, Ltd., Siscoe, Que.

Sylvanite Gold Mines, Ltd., Kirkland Lake, Ont.

The Teck-Hughes Gold Mines, Ltd., Kirkland, Ont.

Wright-Hargreaves Mines, Ltd., Kirkland Lake, Ont.

It has long been the practice not to disclose the business of individual companies by making public the amounts of taxes paid by each.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TREATY OF VERSAILLES—CONTRACTING PARTIES

Mr. POULIOT:

1. What countries (a) were and (b) were not contracting parties to the treaty of Versailles?

2. What was the number in each case?

Sir GEORGE PERLEY: Return tabled herewith.

CLARKSON, GORDON, DILWORTH AND COMPANY

Mr. POWER:

What amounts have been paid by the government of Canada or any department thereof to the firm of Clarkson, Gordon, Dilworth & Company, or to any member of the said firm during the fiscal years 1929-1930, 1930-1931, 1931-1932, 1932-1933, 1933-1934, and from the end of the fiscal year 1933-1934 to date?

[Mr. Sauvé.]

PRICE SPREADS AND MASS BUYING COMMISSION —NORMAN SOMMERVILLE K.C.

Mr. GOLDING:

1. How many days did Norman Sommerville, K.C., act as counsel for the committee and royal commission on price spreads and mass buying?

2. What was his remuneration per day?

3. What was his expense allowance per day?

4. How many days did the committee sit?

5. How many days did the royal commission sit with Mr. Sommerville acting as counsel?

6. What was the total amount paid him for services and expenses?

MOOSE JAW SASK. POST OFFICE

Mr. VALLANCE:

1. On or about the 10th of September, 1931, was one C. T. Karsgaard given a contract to make certain alterations to the post office at Moose Jaw?

2. If so, what was the contract price?

3. Was the work proceeded with?

4. Was a contract let for the same or similar alterations during the year 1934?

5. If so, what was the work to be done and what was the contract price?

6. Who was the contractor?

7. How much has he been paid?

Mr. STEWART (Leeds): Return tabled herewith.

REMOVAL OF CIVIL SERVANTS

Mr. McPHEE:

1. How many civil servants have been removed from their positions since the present government came into office by: (a) dismissal; (b) superannuation; (c) death; (d) other causes?

2. What are the names of the deputy ministers removed from their positions since the present government came into office by: (a) dismissal; (b) superannuation; (c) death; (d) other causes, showing the department of which each was deputy?

Mr. CAHAN: May I ask that this question stand as an order for return. I should also like to have some information regarding it. The question refers to civil servants, and in the Civil Service Superannuation Act I find the term "civil servant" defined as follows:

(b) "Civil servant" means and includes any permanent officer, clerk, or employee in the civil service as herein defined,

(i) who is in receipt of a stated annual salary of at least six hundred dollars, and

(ii) who is required, during the hours or period of his active employment, to devote his constant attention to the performance of the duties of his position and the conditions of whose employment for the period or periods of the year over which such employment extends preclude his engaging in any other substantially gainful service or occupation.

In ordinary parlance the term "civil servant" is sometimes used as applying also to temporary employees doing only part time

service, or to those who are employed at certain daily or hourly rates. I should like to know whether the hon. member wishes to have the information to cover the civil servants as defined in the act, or whether he wishes included the information regarding the temporary employees or others excluded by the terms of the act.

Mr. McPHEE: Civil servants according to the statute.

Mr. CAHAN: Thank you.

MOTIONS FOR PAPERS

BOARD OF RAILWAY COMMISSIONERS—RATES AND TOLLS

Mr. NEILL:

(1) For a copy of a letter, order, or circular, alleged to have been issued by the board of railway commissioners on or about February 15, 1911, to the effect that section 358 of the Railway Act was to be put into effect. (2) Copy of a circular issued by the same body on March 28, 1911, instructing the railways not to bother filing their records as stated by the Minister of Railways on pages 1211 and 1212 of Hansard of date February 22, 1935. (3) Copy of the regulations made by the Department of Trade and Commerce governing rates, tolls, schedules, etc., of steamers subsidized by the government.

EIGHT HOUR DAY

Mr. LAURIN:

For a copy of all correspondence, letters, telegrams, and other documents, passed between the federal government and the provinces, between 1919 and 1935, respecting: (a) the application of the eight-hour day; (b) the forty-eight-hour week; (c) minimum wages; (d) unemployment insurance.

HAMILTON ONT., PUBLIC BUILDING

Mr. GARLAND (Bow River):

For a copy of all letters, correspondence, telegrams and other documents, exchanged between the dominion government, or any member thereof or other persons, relating to the proposed construction of the $1,700,000 federal building at Hamilton, Ontario.

CLEMENT POST OFFICE, WRIGHT COUNTY

Mr. CHEVRIER (for Mr. Perras):

For a copy of all letters, telegrams, correspondence and other documents, in the possession of the Post Office Department, and dated from 1st of December, 1934, to date, in connection with the change of postmaster at Clement post office, county of Wright.

MILITIA UNITS—YARMOUTH, N.S.

Hon. J. L. RALSTON (Shelburne-Yarmouth) moved:

For a copy of all reports, memoranda, letters, telegrams and other correspondence, in the possession of or under the control of the Department of National Defence, dated since June 30, 1913, respecting accommodation for militia units at Yarmouth, Nova Scotia.

Sir GEORGE PERLEY: I have no objection to this motion passing, but of course, according to the usual practice, confidential letters and memoranda cannot be included in the return.

Motion agreed to.

ALGERNON LIGHTHOUSE

On the orders of the day:

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, on the 25th of February last, the hon. member for L'Islet (Mr. Fafard) asked me if I had been informed that the pillar at St. Roch crossing had recently been carried away by the ice and if the Department of Marine intended rebuilding it for the opening of navigation. Officials of the Department of Marine have ascertained that it has been carried away by ice. I wish to inform my hon. friend that pending the decision of the department regarding the rebuilding of this lighthouse, should such rebuilding be deemed necessary, a lightship will be placed at that point to ensure the absolute safety of navigation.

ALASKAN HIGHWAY

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would direct a question to the Acting Prime Minister. According to press dispatches a bill has recently passed the United States Senate foreign relations committee authorizing the expenditure of $100,000 for a survey and $2,000,000 on the construction of the proposed Alaskan highway, also authorizing the president of the United States to negotiate with the dominion government for the passage of a road through British Columbia. My question is this: Are any negotiations in progress at the present time with the president of the United States, and if so would the minister kindly inform the house of the government's attitude towards the proposed highway.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): As far as I know there have been no such negotiations, but I shall make inquiries.

BRITISH SETTLERS

REPORTED DISTRESS OF IMMIGRANTS UNDER THREE THOUSAND BRITISH FAMILIES SCHEME IN NORTHERN SASKATCHEWAN

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, on Friday last I directed a question to the Minister of Immigration. I notice that he is not in his place to-day, and I am therefore directing my question to the acting leader of the house because it is very imperative that this question be answered in the near future, if not to-day. My question of Friday was this:

It has been drawn to my attention that there are in northern Saskatchewan some British settlers who were brought in under the Three Thousand British Families scheme, and who now find themselves destitute. These people, because of the fact that they have been in Canada over five years, have no further claim on the scheme under which they came, and the municipalities have refused to accept any responsibility for them. Therefore I would ask the Acting Minister of Immigration (Mr. Gordon) if he has any knowledge concerning them, or if he will have the matter looked into. The answer of the minister was this:

I know something of the situation to which the hon. member has referred. I have been in correspondence with the settlers. In view of the question asked I shall look into the matter again and make a more extended reply on Monday or Tuesday.

I waited till Monday and Tuesday, and it is now Wednesday, and I have received no further answer. These people are asking for some assistance or for deportation, and I direct my question now to the attention of the acting leader of the house.

Right Hon. Sir GEORGE PERLEY: I personally know nothing about the matter but I will see that the hon. gentleman's further inquiry is brought to the attention of the minister.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINES BETWEEN EDMONTON AND NORTH BATTLEFORD

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have a question to direct to the Minister of Railways and Canals. The question concerns the construction of railways in northern Canada. My question is this: May I ask the Minister of Railways if he has given any consideration to the construction of Canadian National Railway facilities in north western Canada, particularly in the great, developing and fertile belt of territory lying between Edmonton and North Battleford where a good deal of grading was done years ago and where the business men and farmers to a man are in special need of more adequate railroad accommodation?

Hon. R. J. MANION (Minister of Railways and Canals): It is needless to say, Mr. Speaker, that the hon. gentleman has already drawn this matter to my attention a number of times. The matter is of course engaging the attention of the management rather than of the government, though the government is just as much interested in it as my hon. friend. This project is in exactly the same position as other extensions to the railways which are needed, or which are thought to be needed in various parts of the country. The railway management up to the present has not recommended further expenditure on the branch lines suggested by the hon. gentleman any more than they have on other branch lines which have been projected but construction of which has been held up due to the depression. However, the estimates of the Canadian National Railways will be before the select committee of the House of Commons in a very short time, and the whole matter can be gone into there. I frankly cannot tell the hon. gentleman whether there is anything in the estimates for that railway. There may be a small amount but I certainly cannot promise a very large amount due to the very heavy drain on the Canadian National Railways because of world conditions generally and the business depression.

ANYOX SMELTER AND MINE

On the orders of the day:

Mr. OLOF HANSON (Skeena): I have a question to direct to the government. Has any information been received from British Columbia concerning the possibility of the closing down of the Anyox smelter and mine, which would throw over a thousand men out of employment?

Right Hon. Sir GEORGE PERLEY: I have seen a copy of the telegram that was sent on that subject to the hon. Minister of Labour. It seems to me that the obvious answer at the present time is that the provincial government should immediately look into that question themselves.

ELECTORAL LISTS—PRINTING

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the hon. Secretary of State how he is getting along with the printing of the voters' lists.

Mr. RHODES: Why bring that up!

Hon. C. H. CAHAN (Secretary of State): Up until March 4 there were 4,201,639 names in type, and lists comprising 3,029,690 of that number have been printed, bound and delivered to the franchise commissioner. While I have not the exact figure, I understand that the total number of names on all the lists will be about 5,800,000. As a matter of fact I believe that four or five lists have not yet been delivered to the printer owing to some irregularity, and of course we can only print them when we receive them from the franchise commissioner. If the total number is 5,800,000, that will leave 1,600,000 names to be put in type, and we can put those names in type at the rate of 90,000 or 100,000 a day, so if we are pushed to the limit we can put them through in from sixteen to twenty days. But if it is not necessary to work so many hours a day, including night work, we probably will not have the lists completed before April 1.

Mr. MACKENZIE KING: How did my hon. friend know that I was going to ask that question?

Mr. CAHAN: I did not know that the right hon. gentleman was going to ask the question, but I receive daily a little slip like that to which I am referring. It so happens that this slip was delivered to me late last evening and I put it in my vest pocket.

WESTERN POULTRY MARKETING

On the orders of the day:

Mr. W. G. WEIR (Macdonald): May I ask the Minister of Agriculture how he is getting along with the plebiscite in the western provinces?

Hon. ROBERT WEIR (Minister of Agriculture): If the hon. member will look up Hansard, my last answer still stands.

Mr. WEIR (Macdonald): May I be permitted to ask the Minister of Agriculture another question with respect to this plebiscite in the western provinces. I believe that some time ago he stated that the responsibility for declaring whether or not this scheme would be made operative rested with him. Is he going to be able to announce the result of the vote before declaring whether or not the scheme will be put into operation?

Mr. WEIR (Melfort): That will be taken into consideration. At the present time I do not think I can add anything to what I have already said. We shall have to wait until the returns are completed. The answer I gave the hon. member was to the effect that as soon as the returns were completed an announcement would be made.

DOMINION ELECTIONS ACT

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Can the Secretary of State inform the house whether the government has under contemplation at the present time any further amendments this year to the election act?

Hon. C. H. CAHAN (Secretary of State): It may be under consideration, but I have not known of any material alterations to the election act which are likely to be proposed.

Mr. GARLAND (Bow River): Or to the franchise act?

Mr. CAHAN: I do not think that any amendments to the franchise act or to the election act have been drawn up in the form of a bill. I have heard discussions among members on both sides of the house as to whether, in relation to the preparation of new electoral lists, the lists as now being prepared and printed should not be deemed to be the official lists for the present year. As to whether the franchise act might not be amended so that the preparation of the new lists would begin at a later date than April 1 of this year, that is merely a matter which I have heard discussed, but I do not think that any decision has been reached with regard to it, and I do not know that it has become a question of discussion by the members of the government.

CANADIAN RADIO COMMISSION

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I noticed in the press the other day a statement to the effect that the radio commission proposed to expend $1,000,000 on public broadcasting stations. Will the Minister of Marine tell the house whether that statement is founded on fact.

Hon. ALFRED DURANLEAU (Minister of Marine): There is nothing definite yet. I know that the commission has some scheme of construction in order to give better service to the country at large.

Mr. EULER: Any construction?

Mr. DURANLEAU: There is nothing definite yet.

SUPPLY

RAILWAYS AND CANALS

The house in committee of supply, Mr. MacDonald (Cape Breton) in the chair.

To assist in promoting tourist business in Canada, $200,000.

Hon. R. J. MANION (Minister of Railways): I intend to make a brief statement to the house in regard to this item inasmuch as it is a new branch of government activity which is of the utmost importance, I think, to the whole dominion. In a sense, the tourist traffic has become an industry on a very large scale. For example, it is stated by our department of statistics that in 1929 the tourist industry was worth to Canada $309,000,000; that is to say, $309,000,000 was spent by tourists coming to this country.

Mr. JACOBS: That was before the repeal of the Volstead Act.

Mr. MANION: Yes, but even with the repeal of that act tourists have come regularly; and to be fair to those who have been coming into the country I may make this statement. I well remember looking into the question on one occasion, and it was found that a very small proportion of them, even in the days of the Volstead Act, bought liquor permits in Ontario; I should think the proportion was about fifteen per cent I make that statement in justice to the tourists. In other words, they came to see this great country rather than to indulge in anything but the pleasure of travelling.

Mr. WOODSWORTH: Can the minister give us some basis on which these estimates are formed? I have heard estimates, but I have not heard any reasonable basis for them.

Mr. MANION: I understand that the method followed by the department of statistics is something of this sort. They make inquiries of a large number of tourists coming to Canada from the various sections of the United States, and by averaging these returns they get a general estimate; and naturally it must be general. I do not suppose there is any possible way of obtaining exact figures in this regard, but I have no reason to doubt that in a general way the figures given by the department are reasonably correct.

Mr. MACKENZIE (Vancouver): There are also the various provincial organizations.

Mr. MANION: Yes, they get information from various provincial organizations in all sections of the country, and they approach the matter as accurately as they possibly can. I will repeat the figure. For 1929 it was over $309,000,000, but owing to the depression, from which the tourist business as well as other industries has suffered, the returns estimated for 1933, four years after the crash, amounted to $117,000,000, on the same basis of computation. It is estimated however that in 1934, this past year, the tourist traffic had gone up twenty-five per cent as compared with 1933, and it is hoped, and I think with good reason expected, that the tourist traffic in the coming year will be very much higher than it was in the past year.

I made it my business this morning to get some figures from the department of statistics in regard to exports from Canada of various products, just in order to enable hon. members to compare our tourist traffic with our exports of certain lines of commodities. I have already given the tourist figure for 1933, and in 1934 it was supposed to have increased by about twenty-five per cent over the previous year, so that the figure for 1934 should be in the neighbourhood of $140,000,000 or more. I have not the actual estimate of the department of statistics, but on the basis on which they have made their calculations it should be $140,000,000. Our exports of wheat in the past year amounted to $131,000,000; newsprint, $82,000,000; nickel, $29,000,000; planks and boards, $26,000,000; wood pulp, $25,000,000—all round figures. We also exported bacon and hams to the value of $23,000,000; fish, $21,000,000 or $22,000,000, and whiskey, $20,000,000. I notice that if the items comprising forest products —newsprint, planks and boards and wood pulp—were added together, it is probable that the figure would be in excess of that given for the tourist traffic. But the figures that I have given I think demonstrate to the committee quite easily the great importance to the dominion of this invisible export, the tourist traffic.

I may at this moment pay my respects and compliments to the committee in the other house led by Senator Dennis, which inspired

the government toward this new line of endeavour. I may say quite frankly that for many years I have felt the dominion under all governments has been neglectful in regard to the encouragement of tourists coming into Canada. This traffic has always appeared to me to be something to which we should have given vastly more attention than we have. But Senator Dennis called together a committee largely made up of newspaper men, if I remember rightly, which met for the first time in May of last year. Before the Senate adjourned, the committee made to that body a report which was passed on to the House of Commons, and by August 1 we had on their recommendation organized the tourist branch of the Department of Railways and Canals. I want to offer great praise to Senator Dennis and his committee and indeed to the other house for the splendid work they did in this regard, because they urged upon the attention of the Canadian people the importance of this industry, and by their unanimous support they convinced the government that it was an industry upon which we should spend a good deal of money and which we should encourage in every possible way.

May I say in that regard—and I may as well say this here as elsewhere—that the daily press of Canada also deserves a great deal of praise for the splendid cooperation which they have given not only to the Senate committee but to the tourist branch of my department and to the government in general to encourage this work. They have, without return on their part or at least without return in anything like a proper proportion to the services they have rendered, done splendid work in that regard to spread the tourist psychology, if you will, throughout this country. I think the newspapers of all political colours, of all religious sects if you like, and newspapers, financial and otherwise deserve a great deal of credit from the dominion for the splendid work they have done in this respect.

Having organized the tourist branch of my department by August 1, we appointed, again on the unanimous recommendation of Senator Dennis and his committee, Mr. Leo Dolan as director of tourist traffic. Mr. Dolan had been for some years in charge of the tourist industry in New Brunswick where he had done splendid work, and it was the opinion of the Senate committee, comprised as it was of all political colours, that Mr. Dolan would be a most suitable appointee. While I did not know him at all, I was glad, after discussing the matter with the Senate committee and others, to have Mr. Dolan appointed, and he was appointed. He has done wonderful work. Incidentally he has travelled throughout the country. On a number of occasions since Mr. Dolan was appointed and made his trip to Vancouver and Victoria, incidentally dropping off at various points and addressing service clubs of many kinds, various hon. members opposite as well as a number on this side have written to me complimenting the government upon the fact that one with so much enthusiasm, so much knowledge of the subject, had been appointed to deal with this question. Due to his visit, due to the Senate committee's report and due to the splendid cooperation of the daily and weekly press of Canada, we have I think given to the country a leadership which cannot help but be useful to Canada as a whole in the returns which we shall get.

I may make it quite clear at this point that it is not the intention of the dominion government in any way to replace the work of the many tourist organizations throughout the dominion. We have for example provincial organizations in all the provinces; we have also many municipal organizations; the railway and steamship companies in addition have branches which assist in bringing tourists to our country, and there are many other organizations of one kind or another which must in the aggregate spend many millions of dollars in encouraging tourist traffic to Canada. Therefore it is obvious, since last year at least we were given $100,000 to utilize for this purpose, it could not be and was not the intention of the government in any way to replace these organizations or to take upon ourselves any of the work done by these individual associations for their own sections of the country. It is merely the desire of the government and the tourist branch of my department to coordinate so far as we can the work of these different bodies.

We have had on many occasions complaints from certain sections of the country that in the advertising we did we were not doing sufficient to call attention to their splendid tourist opportunities. But we have made it clear that in all our advertising we must be national; it cannot relate to any particular section of the country, because if it did so we would be taking on the work of the tourist organizations in those sections. Therefore, so far as we can and without fear or favour to any section, our advertising has been of a national character, and it has been and continues to be our desire as far as possible to make our advertising national.

It is obvious to all the members of the committee that no government would dare to do more than that. I make this statement here so as to clear the air so far as any individual section of the country is concerned in regard to the illustrations which we have sent out and the advertising which we have done in the past and are doing to-day. The first advertising copy in one of the United States magazines came back to me this morning, and I am sure my hon. friends who see it will be pleased with it. We have given illustrations of various sections of the country; we have endeavoured to touch in a national way the maritimes, Quebec, Ontario, the prairie provinces and British Columbia, all of which have their claim upon this expenditure. But we have not specified, even in the advertising, where these scenes lay in our country. It is our endeavour to avoid if possible anything in the shape of unfair preference of one section to another or to do anything that may make one section feel it is being neglected by our boosting some other.

To illustrate again the importance of the industry, may I say to the committee that the oil interests of the United States last year distributed 50,000,000 road maps to people purchasing gas at their stations. This illustrates the immensity of this industry. California estimates that the tourist industry is worth $250,000,000 a year to that state even at the present time. Maine, a little state which in a sense projects up into Canada, estimates that the tourist industry at the present time is worth well over $100,000,000 to it, and anyone who has visited that delightful state knows its people have many reasons to be encouraged by the splendid work they have accomplished. But I give those figures to illustrate to the committee the vast proportions to which this industry can be built in our dominion; in fact it has been estimated that provided business comes back as we all feel it is doing and a recovery takes place as it seems to be doing at the present time, within the next few years, say five or six, the tourist industry ought to be worth to Canada something in the neighbourhood of $500,000,000 per annum. That will illustrate perhaps better than any other idea that I can give, the importance of the matter.

It is estimated that 30,000,000 to 40,000,000 people of the United States travel during the vacation period from one section of that country to another or from their country to others including of course Canada. It is worth while remembering that for years our people in a sense have not recognized the value of this industry to Canada, and to-day due to the activities of the Senate committee, the government department, and the daily and weekly press, the people generally throughout the country are becoming tourist minded.

May I say at this moment that I should like to emphasize three items that appear to me to be of the utmost importance to the dominion if we are to do all we can to encourage this industry. In the first place we must have courtesy on the part of all our officials, I mean customs and immigration officials, and I say at once that this is not said with any idea of reflecting on any of them, because the reports we are receiving from all parts of Canada are to the effect that those officials from coast to coast are endeavouring at all times to be so pleasing to the people who pass through that they are winning the hearts of the tourists who come here. But every now and then some individual, overly officious, does some little thing which is not entirely of service to the dominion. Another matter which I think is of the utmost importance—and incidentally I have run across the odd exception to it—is that we must have honesty and fair dealing among our merchants, hotel keepers, hot dog stands if you will, and so forth. In other words, we must endeavour to see that our people, in the interests of Canada as a whole and of their own section in particular, treat the stranger coming here fairly and squarely as they would treat their own nationals. They must not endeavour to take all the traffic will bear. An incident which occurred when I was motoring in a certain section last summer will serve to illustrate the point. My wife and I stopped at a little hotel for lunch. The price seemed rather extravagant for the kind of lunch we had, and out of curiosity when I stopped up the street to get gas I asked the gas station attendant how much the hotel charged for lunch, and he named a price one-third less than I had paid. It does not help the tourist traffic if any of our people do that sort of thing; it leaves a bad taste in the mouth of a visitor and does not lead to favourable publicity. Another feature which I think is of the utmost importance is the general courtesy of the people. May I say to the people of our sister province of Quebec that on a number of occasions when I have visited Quebec by motor car, nowhere in the world have I been shown greater courtesy, have I found a more charming politeness or a greater desire to please. In other words, due no doubt to the immense tourist traffic that they have,

probably the largest in Canada with the exception of the Niagara frontier; to the magnificent highway around the Gaspé peninsula; to the fact that they have been reaching out for tourist traffic and that they border on the great rich state of New York, the people of Quebec have become tourist minded. I think it is only fair that the rest of our people should know of the courtesy which the people of Quebec show to everyone driving through there, the anxiety of everyone of whom you ask a question to help and to oblige in every possible way, in order that the rest of the country may profit by that example and practise the same.

That our people generally are endeavouring to be pleasant to those who come within our borders is well illustrated in a letter which I shall take the liberty of reading to the committee without giving the name of the gentleman who wrote it. I hope I shall be forgiven and not called to order for reading this. It is dated January 26 last addressed to Mr. Leo Dolan, the director of our Canadian travel bureau:

My short visit to Canada in 1934 and my slightly longer visit in 1932 were marked by nothing but the greatest courtesy on the part of everyone with whom I came in contact. The graciousness with which your office complied with my request for automobile road maps was the first step; thereafter my contacts with Canadian officials of all kinds, immigration officers, policemen, traffic officers, customs officials, etc. were uniformly pleasant. It is perhaps a little out of place for me, a native born citizen of the United States, to say that I only wish that our officials were as courteous as the corresponding Canadian functionaries. Having travelled extensively in Europe I find that the Canadians have the happy faculty of combining old world politeness with new world progressiveness. In the United States we are so busy doing heaven knows what, that we do not seem to have the time enough to be courteous. Maybe we will some day acquire a little Canadian courtesy. I hope so.

I look forward to visiting your wonderful country again and hope some day to see Banff and Lake Louise, the great beauty of which I have heard from many of my friends. When that time arrives, I will again avail myself of your kind offer.

I read that not to make comparisons, which are odious at any time, but such a pleasing letter from an American to a Canadian official certainly is cause for gratification and satisfaction. If that spirit towards incoming visitors is generally shown it cannot but help this great and important industry.

Canada with its great stretches of woodland, its hunting and fishing areas, and its splendid lakes and rivers, is a magnificent vacation land.

Mr. DUPUIS: And its handicrafts.

Mr. REID: And do not leave out the mountains.

Mr. MANION: Yes. Not long ago, in our boastful Canadian way, I said at a club luncheon that I had been about Europe a great deal—I have visited it several times, and have seen most of its beauty spots—that I thought a counterpart of any of them could be found in Canada. A European who was present spoke of it afterwards with a rather pitying laugh; yet I think that anyone who has travelled from coast to coast in our country and visited the mountains or the lake regions—I do not wish to specify particular sections, but in various parts of our country, or that beautiful valley in Nova Scotia of which we all know—

Mr. LAPOINTE: And the rock of Quebec.

Mr. MANION: I do not wish to start mentioning provinces, but those who have visited any of our delightful tourist sections will I think agree that generally speaking we have scenery equal to that of any other part of the world. After all, when you think of the immensity of our country and the splendid work done by nature during the ice age, I take it, in shaping the lakes and the courses of the rivers and making huge waterfalls and pushing up the Rockies, there is no reason why we should not have just as fine scenery as any other country of the world.

Mr. GOTT: And the greatest bird sanctuary in the world, and the world's greatest naturalist.

Mr. MANION: However, without dealing with individual sections I feel we have a splendid opportunity to develop in Canada a great vacation land.

Ninety per cent or more of our tourist traffic comes from the United States. That is natural, and that being so we should and we are seeking particularly to attract tourists from the country to the south. After all we have common tastes and to a large extent a common language and common business interests and instincts. Our frontier restrictions are few. And in reaching ever larger numbers of tourists from the United States not only do we stimulate the tourist business but it is a very useful advertising medium; when we encourage Americans to come here for their vacations in the summer, they may return later for business and make investments.

Indicating the importance of the tourist traffic to the agriculturist, an estimate was given to the tourist committee in the Senate

by one economist that in one year tourists visiting Canada consumed 4,000,000 pounds of butter, 18,000,000 pounds of meat and 4,000,000 dozen eggs. Those are large figures, but they show that even the farmer, who may not seem to get direct benefit from the tourists, does actually benefit to a large extent.

In regard to the advertising campaign that has been and will be carried on, I may say that we endeavour to advertise in such a way that all sections of the country are served. Last year we got organized too late to bring anybody here for the summer, but there was still the hunting and perhaps the late fishing season and we put advertising in newspapers from coast to coast. We advertised in forty American papers in twenty-three different cities and seventeen states, and according to the circulation figures of the papers in which this advertising was carried we reached over 10,000,000 readers. We are confining our advertising largely to the northern half of the United States, because with rare exceptions the people who visit Canada come from that section. That is proven by the inquiries which we received as a result of that advertising. We received just under a thousand inquiries as a result of one series of advertisements just before the hunting season last year. In the number of visitors the state of New York naturally leads; next comes Illinois, then Ohio, Wisconsin, Indiana, Iowa, Maryland and Minnesota. This shows the states from which we are going to get our heaviest tourist traffic.

Mr. EULER: Is it not possible that the reason the majority of inquiries came from the northern states is that the advertising was confined to those states? My suggestion would be that if you advertised in the southern states as well you might get a proportionate number from there.

Mr. MANION: I think there is reason in what my hon. friend says, but at the same time it seems apparent that we shall naturally get a large number from the states more or less adjoining our own borders. Therefore with the limited amount of cash available last year we felt we should limit the advertising to the northern states. Just this morning a telegram came from Vancouver urging that we extend our advertising further south adjacent to British Columbia, and as far as we can we shall gladly do that. But as long as the funds available are limited, as they naturally are at the present time, they will be spent chiefly in the northern part of the United States. That however does not mean that we do not reach the southern section, because, especially at the present time, we are advertising in magazines, which of course circulate in the south as well as in the north.

Mr. EULER: What magazines are you using?

Mr. MANION: I can give the list if my hon. friend will ask me a little later.

Mr. SPENCER: I understand that the parks branch of the Department of the Interior had been doing a certain amount of advertising prior to this organization being formed. To what extent has the advertising been increased?

Mr. MANION: The parks branch was doing a certain amount of advertising, but so far as I know they did not have any distinct vote for that purpose. Certainly the parks branch did a splendid work in encouraging tourist traffic, and particularly the traffic directed towards the national parks of Canada. At the present time however we are endeavouring to bring about a coordination of the different branches which in the past took part in tourist work, and since the setting up of the tourist branch of my department we have taken under our service a number of employees from the parks branch. In the first place, we availed ourselves of the services of Mr. Dolan.

Although I had no intention to discuss the matter from this angle at the moment, probably this would be the proper point to state that after a discussion with departmental officials it was decided that we should take over certain of the officers of the parks branch. We have therefore taken over four or five officials of that branch, with the result that to-day we have an organization of eight people, two of whom are new and the remaining six formerly officers in different departments. One man came from the Department of Railways and Canals, and the balance from the parks branch. I believe the result is a very compact and efficient organization set up for the purpose of advertising not only tourist advantages in general but the national parks of Canada. I believe in a general way I have answered the hon. member's question.

Mr. SPENCER: I take it the parks branch will not do any overlapping? The whole of the advertising will be taken care of by the organization about which the minister has spoken?

Mr. MANION: Yes. Of course we are assisted even yet by the parks branch, because there will be certain inquiries coming in from different parts of the neighbouring republic which could best be dealt with by the parks

branch itself. Generally speaking however, so far as possible we shall endeavour to do the greater part of the work, and to do all of the advertising in the United States.

May I say to the hon. member for North Waterloo that in a few moments I shall give him a list of the magazines. It seems to me that in addition to advertising in the United States we could, without offending the people of that country, encourage a certain amout of interprovincial traffic. Hon. members will realize that if we advocated among our own people that they should limit their movements to interprovincial travel there would be a possibility of retaliation by the other country. However, I believe we can encourage a certain amount of interprovincial travel without in any way interfering with a fair amount of traffic to the United States, and so far as I know without fear of retaliation from that country, so far as people from the United States coming to Canada is concerned.

Mr. SPENCER: The minister mentioned retaliation; is he afraid of retaliation from the United States?

Mr. MANION: Oh well, I think any person with a little sense in his head must realize there is always the possibility of retaliation. One does not need to carry out his idea to the point where there would be any possibility of retaliation on the part of the United States. Of course, I understand the hon. member's reference, but I do not suppose I am any more frightened of the United States than other people are. At the same time I say common sense must be used in all these matters.

So far as interprovincial traffic is concerned may I say that the decision was made, and carried out, to give to our Canadian papers a certain amount of advertising. I believe most of our daily papers in Canada did some advertising for us, for which they did not receive heavy remuneration. I believe also that some of the weeklies did some advertising. Generally speaking however I would say that 85 per cent or 90 per cent of the money for advertising will be spent in the United States. In addition to that however the amount of advertising we have done in Canada has focused Canadian attention on the importance of this matter, and as the result we find throughout Canada to-day that boards of trade, service clubs, chambers of commerce and other organizations of that type are asking for literature, asking for Mr. Dolan to address them, or for some other member of the department to appear before them and outline the latest information concerning the tourist business. Never before so far as I know has that happened in Canada.

The hon. member for North Waterloo asked about the magazines being utilized. I believe I have the complete list under my hand, but I do not intend to name all of them. I believe without reading the complete list I can give him a clear idea as to the type of magazine used. The magazine with the greatest circulation in the United States is the Saturday Evening Post, and in it we do some advertising. Also, our advertisements appear in Colliers, which I believe has the second greatest circulation, in the National Geographic, in Cosmopolitan, Time, Fortune, The Sportsmen's Magazine, Good Housekeeping, and so on. That list will I believe give a general idea of the type of magazine used. I believe we have picked the best type of magazine—and of course when I use the expression "the best type" I am referring only to circulation. I am not advertising the Saturday Evening Post, but when we consider that magazine we must take note of the fact that it has a weekly circulation of nearly 4,000,000 copies, and the others I have named are in proportion. Of course advertising rates of those publications are in proportion to their circulation. Then, in addition to the advertising we give them, for which we pay the usual rates, we get a good deal of reading matter. For instance, only recently in some of the magazines of the United States I have seen some first class articles written by Canadian writers or by American writers who have visited this country. Of course that is the best kind of advertising we could possibly get. It is not prepared by us, nor is it put out for advertising purposes, but it has the good effect of stimulating interest.

For example, only recently hon. members may have read accounts in the daily press regarding the achievements of that splendid force, the Royal Canadian Mounted Police, upon its recent visit to New York city. These articles emphasized the fine achievements of these troopers in the city of New York, and as a result of their work many articles appeared in United States magazines. As a matter of fact I have noticed a series of articles running in Cosmopolitan.

Mr. RALSTON: Hearst's International.

Mr. MANION: Yes.

Mr. RALSTON: That is the Cosmopolitan magazine.

Mr. MANION: I did not know that. These articles to which I have referred are first class and must stimulate interest in the United States concerning this country.

Although my observations have been longer than I had intended them to be there is another matter which comes to my mind and which I believe should be mentioned. We have had an interprovincial conference on tourist matters, and may I say that it was not paid for by the dominion government. Those delegates who came from Victoria and Vancouver on the west and Halifax on the east came at their own expense. The holding of the conference cost the federal government nothing. The enthusiasm at the conference was high, and all delegates went back to their respective provinces with the determination to encourage in every way tourist traffic to their own section. While here however they worked together and offered suggestions which were of the utmost value to the federal officials.

The suggestion has been made to me that in addition to the utilization of the daily press and weekly publications we should utilize the services of the radio. So far we have not done so, because the charge for time on an American radio program is very high, and up to the present time we have been of the opinion that we are getting better publicity from the daily press and magazine publications than we could get over the radio. We have decided to publish a booklet costing about $20,000, because from all points in the United States and Canada we receive requests for compact information. The booklet now being prepared will be issued upon completion.

I may observe at this point, as well as any other, that some complaints came from one or two sections of the province of Quebec to the effect that the literature issued did not appear in the two languages. In reply may I say that it must be obvious to all hon. members that as our tourist traffic comes chiefly from the United States there would be no value in having the information prepared in both languages. A very heavy expense would be incurred and no good purpose would be served. The traffic for which we are reaching and which we hope to get—and I am sure will get—is from the American republic.

Then, in addition, we have a number of minor endeavours being carried on. For instance, the Keystone Automobile Club of Philadelphia have put up a proposition whereby we may reach all the hotel directories, such directories having a circulation of 250,000 copies throughout the United States. Some of the publications contain travel stories. Then, there is the counter distribution of travel literature concerning the Dominion of Canada. For only a small expenditure the American Automobile Association has agreed to distribute maps of Canada to people who may desire them. I do not believe I shall take up further time of the committee, but I thought hon. members would be interested in obtaining the information I have endeavoured to give in a compact form. I believe members of this chamber and members of the Senate could do much towards giving assistance to organizations which are connected with this very important industry in the Dominion of Canada.

Mr. STEWART (Edmonton): Of course, Mr. Chairman, I am deeply interested in the statements of the minister. I am somewhat surprised however to note that he seems to have awakened to the fact that tourist traffic is of great importance to Canada. The minister seems to be of the opinion that this is an innovation on the part of the present government. The strange fact is that according to figures he supplied, and which were received from the department of statistics, the tourist traffic in Canada in the year 1929 was valued at $300,000,000. I have no complaint to offer in connection with anything the minister has said. I believe the government are taking a step in the right direction, and I hold the further belief that they were recreant in their duty when they did not continue the policy which was in operation when they took office in 1930. Had they done so I do not believe there would have been a drop in the tourist traffic. To be quite fair to the minister and the government, may I say that I recognize conditions which prevailed in Canada as well as in the United States were bound to have a depressing effect on tourist traffic. But I do just want to point out that there is not one single thing which the minister has announced this afternoon which was not being undertaken in 1923, 1924 and onwards.

Mr. MANION: There was none of it undertaken.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon.

Mr. MANION: I shall deal with that when my hon. friend sits down.

Mr. STEWART (Edmonton): I shall be very happy to have my hon. friend do so. I want to point out to the minister that through the coordinated efforts of the boards of trade in the various cities of Canada this organization, while not set up under the control of one individual as my hon. friend states

will now be the case, was working in conjunction with the railways which spent very large sums of money; and this country was widely advertised through the immigration agencies of the United States and through the lecture tours conducted by Major Rogers, who went into every state of the union where his services were required. The happy condition that prevailed in 1929 would have been impossible without the efforts that were made in that direction. Next I want to say to my hon. friend that there was an organization in the Department of the Interior, an organization that this government scattered throughout the various departments and whose work ceased from the time this government took office because no effort was made by this government to continue that work.

Mr. MANION: It continued just exactly as my hon. friend and his department had carried it on.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon, because I happen to know something about the Department of the Interior and the parks branch. The parks branch continued, yes, but not the work of the officials of the Department of the Interior who were particularly engaged in tourist work. Not only that, but the efforts put forward to bring industries to Canada were not continued because these gentlemen were moved to other departments and their efforts in that direction ceased.

I am behind every effort that will be put forth by this government to secure tourist traffic, but I must take exception to some of my hon. friend's statements. The committee of the Senate met long ago, I think it was in 1933, and did practically the same work that was done recently, as mentioned by my hon. friend, and it is not correct for my hon. friend to say that no coordinated effort was ever undertaken by the government of Canada. True, we did not have $100,000 to spend, we did not have $30,000—

Mr. CASGRAIN: You did more work with less money.

Mr. STEWART (Edmonton): I do not make that statement at all because naturally more work can be done with more money, and I am behind this vote to the fullest degree. I am simply saying that the statement of the minister was unfair. I am glad to hear him say that men who were formerly in the Department of the Interior and who were removed from their positions are going to be taken back into this organization. As for the man who is in charge, I happened to know him in the old days. He was a very efficient officer in his sphere of activity in the maritime provinces, and we could not afford to leave out any province in our endeavour to encourage tourist traffic.

The only complaint I have to offer is with respect to my hon. friend's statement to-day that this is something new, that it is another new deal, as we hear so often these days when the government is speaking of old things dressed up in new clothing, I will admit, but carrying on in exactly the same way as they did before this government ever took office.

I hope that under the management of the minister now placed in charge a more earnest effort will be put forward. Indeed, I am sure it will, because the minister is energetic; he is connected directly with the railways, which is important, and he can work acceptably I am sure with the parks organization; so I think we can look for splendid success in this endeavour. But what I am complaining about is that men who have really put a lot of effort into this thing, men who brought about the happy condition when, according to the minister's own words, we had very substantial return from the endeavour, much more substantial than to-day—although I am not critical on that score—these men are left altogether outside the sphere of the minister's statement, except that he did say, when it was drawn to his attention, that the parks had done something in this connection. There was very much more activity than that outside of the parks altogether, and even at this late date I, myself am getting requests as a result of the maps that we distributed, which the minister mentioned as one part of the activities, and a splendid activity it is to send maps into every part of the United States—I am getting letters to-day as a result of the maps we sent out, which I simply turn over to the Department of the Interior. Now that the government has decided to change the minister in charge—and I am not complaining about that because that is their business—I hope he will embody in his organization these men who have received such splendid training and give them a chance to put into use their knowledge and experience in this connection. I hope that he will cooperate most closely with the railways, because the railways and railway advertising are very helpful in encouraging tourist traffic. But the minister has really announced nothing new except that he is armed with more money, with which undoubtedly he can carry on a much wider and more effective scheme of advertising.

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Mr. MANION: Mr. Chairman, I do not wish to get into a political discussion in any shape or form in connection with this matter, and furthest from my mind was the thought of reflecting on the hon. gentleman opposite in anything I said. I studiously tried to avoid that very thing, not that I had anything to reflect on him about, but the last thought in my head was to make a comparison between the old government and the present. I must, however, take exception to the hon. gentleman dragging in some of the statements he did. I hope we shall not allow this to degenerate into a political discussion because it is one subject upon which I think that all members of this house from all sections of the country and representing all parties are agreed. The tourist traffic is for the good of the country generally, and I hope that we shall not allow this to degenerate in any shape or form into a political discussion. I did not rise this afternoon with any thought of making political capital out of it. I did mention the parks branch and say that they had done good work, so my hon. friend was not fair in his reference, and he is all wrong in saying that the work was not being carried on under this government as it was under the old government. That work has always gone on. We did not do away with it at all.

My hon. friend also said that there is nothing new in this and that we have just awakened to the importance of the tourist traffic. Personally I have felt that this government as well as the late government neglected doing just what we are now doing. I am not saying that for political reasons at all. The figures I have given show the importance of this industry to Canada, and we should do all we can to encourage it.

The hon. gentleman brings up, unwisely I think, the fact which I pointed out myself, that our tourist traffic decreased greatly between 1929 and 1933. I gave the figures showing that it had, and I admitted it, but that had nothing to do with this government or with the late government. It was due to the crash that came in the latter part of 1929 and to the world depression when people simply did not have the money to travel. People who were struck by the stock market crash, people who lost their business, naturally were not in a position to travel into Canada or from Canada to the United States.

The hon. gentleman also referred to the splendid work that the Department of the Interior under the late government were doing in regard to endeavouring to bring industries to this country. May I say to him that I know some work that they did that was very costly and just as useful as a boil on the neck. I remember when the hon. gentleman was in charge that his department, for example, made an industrial survey of the city of Fort William, which cost thousands of dollars.

Mr. STEWART (Edmonton): No, it did not.

Mr. MANION: I know differently.

Mr. STEWART (Edmonton): May I correct my hon. friend? That survey was made by a paid official of the Department of the Interior in conjunction with the board of trade of Fort William, and the cost was divided. No money was expended by the government of Canada except the salary and expenses of the individual.

Mr. MANION: The salary and expenses of the individual? Well, he spent almost a year doing it and he brought out two volumes which nobody on earth would ever read, and which were just as useful to Fort William or to this government or to anybody as a boil on the neck. But I do not want to get into a political discussion.

Some hon. MEMBERS: Oh, no.

Mr. MANION: I do not think my hon. friends across there will accuse me of being unfair if, the hon. gentleman having criticized me unfairly, as I think he did, I retaliate to the extent of showing that there were useless things being done under his government that we are not carrying on. But I want to keep this discussion on the plane on which I started. My hon. friend dragged politics into it, but I have certainly no desire to do so. We might, of course, if we wanted to do so, get a little political advantage out of it, but for the sake of this country I do not want politics to enter this discussion at all. I shall not deal any further with my hon. friend's statement except to point out that when he says I neglected the railways—

Mr. STEWART (Edmonton): I never said that you neglected the railways. I merely said that as Minister of Railways the hon. gentleman was in a splendid position to coordinate the work.

Mr. MANION: He mentioned the railways and steamships and implied that I had neglected them.

Mr. STEWART (Edmonton): No, I did not.

Mr. MANION: Then I will accept the hon. gentleman's word and withdraw, because

I do not wish to get into any dispute about it. I simply wish to say that we have been cooperating with the railways and the steamship companies. In fact, in all the literature we send out we ask the people in the United States to call at the nearest railway or steamship office—because the Canadian Pacific Railway, the Canadian National Railways, the Canada Steamship Lines, the Clark Steamships and some other lines have offices in various sections of the United States, catering particularly to the tourist traffic, and that saves us a great deal of effort. People can go to whatever tourist or ticket office may be in their neighbourhood and obtain such information as they may desire. I do not wish to turn this subject into politics. Earlier in my remarks I made certain complimentary references to the efforts of the Senate committee, and I stated that the government had endeavoured to carry out their report. Indeed, I gave all the credit to Senator Dennis' committee for the splendid work they had done, and I hope my hon. friends will endeavour, as I will, to keep this subject on a plane other than the political, endeavouring to assist this great industry as far as we possibly can.

Mr. STEWART (Edmonton): I want to refute one argument which the hon. gentleman has made, and that is with reference to the man who was employed by the Department of the Interior to assist the boards of trade in an economic survey of their localities. He never went except at the request of the boards of trade, and the statement that he was months making his survey cannot possibly be true. To my certain knowledge, he was never more than two or three weeks in any city. Of course, he had the active cooperation of the officers of the boards of trade, and if my hon. friend will look up the files of the Interior department he will find there many complimentary letters with reference to the services which this gentleman rendered. I have no desire to make this a political controversy. My hon. friend rather misunderstood me. What I wanted to direct his attention to was the suggestion that this was the first attempt on the part of the government of Canada to encourage tourist traffic into Canada, and in reply to that I merely refer him to the fact that there would not have been $300,000,000 worth of tourist traffic in Canada at the time his government took office if there had been no coordinated effort.

Mr. MANION: I did not say that, but I did say that we had a committee appointed now for the first time.

Mr. STEWART (Edmonton): I must take exception to that statement. I want to be absolutely fair, and I think my hon. friend wants to be fair too—

Mr. MANION: And he is.

Mr. STEWART (Edmonton): —and that is not true.

Mr. STINSON: I am very much interested in this vote, as there is in my riding one of the finest tourist districts in the dominion, namely, the Kawartha lakes and the highlands of Haliburton. That whole section is dotted with lakes and rivers and has all the natural beauties which appeal to the tourist. The county of Haliburton has 550 named lakes and just as many unnamed, waiting for the tourist to christen them. This is a vote that should commend itself to all members of this house by reason of the annual crop to be harvested from it and its possibilities for increase. The Dominion Bureau of Statistics shows that in the peak year 1929 Canada's tourist trade had a value of $309,379,000. By 1933 this had shrunk to $117,124,000. The evidence before the Senate committee last year set $500,000,000 as the objective of a progressive, permanent program of Canadian tourist trade promotion. We should set up a tourist bureau to "sell Canada" to the world, as no other country has more to sell by way of scenery or a greater variety than we have. Ontario has been getting between seventy and seventy-five per cent of the tourist trade coming into Canada. In 1929 we had in Ontario 11,685,000 persons, which figure in 1933 dropped to 7,796,000. Now therefore is the time to make a strong effort for this trade. In 1929 the American tourists spent outside their own country $869,000,000. Ontario has many ports of entry easy of access. Within twelve hours we have 20,000,000 persons adjacent to the province of Ontario—tourists who may come from the states of Michigan, Illinois, Ohio New York and Pennsylvania. These states all have paved roads right through to Ontario. Ontario has 6,000 miles of paved roads to take care of them when they arrive. The tourist crop is an annual crop which does not impoverish the land. It is not a wasting asset like a gold mine or an oil well. You can sell the scenery year after year and your only expense is advertising and developing ways and means of attracting the tourists. The road wear and tear they pay for in the gasoline tax. Everybody benefits from the tourist traffic—the transportation companies, hotels, oil and gasoline refineries, bus lines, department stores—and it is said by some

that the tourist trade helps every man, woman and child in Canada, whether they make sewer pipes or grow onions. When you consider the possibilities of increasing that trade up to $500,000,000, it is something worth going after in a big way, as it represents the sale of 700,000,000 bushels of wheat at 70 cents a bushel, which is a two year wheat crop for Canada. We have the lakes and rivers and the fish, which delight the American tourist. Let us build a national business out of it. At Bobcaygeon, which is a very progressive village on Sturgeon and Pigeon lakes, where the fishing is good, a wonderful tourist business has been built up over a number of years. An American from southern Pennsylvania, who has been going there for years to fish, got into an argument with an American from New York city as to the merits of the latter city. The man from Pennsylvania, who cares more for good fishing than for anything else in the world, said that New York could never be an important place to him because it was too far away from Bobcaygeon. Any hon. members who doubt the beauty of the Kawartha lakes and the highlands of Haliburton I invite to spend their next vacation there. I am sure they would say with the Pennsylvanian that New York can never be great in the summer time when it is so far away from Bobcaygeon Let me say once more that this item should commend itself to every member of the house by reason of the return it will give in dividends to the citizens of Canada. I think we should all support it and endeavour to increase our tourist trade to at least $500,000,00C per annum, which would bring a dividend in some form to every citizen of the dominion.

Mr. GOTT: I suggest to the hon. member that the onion grounds to which he has referred would be well worth the attention of any American. They are six feet below the level of the lake, something which the Americans do not realize, and they are beautiful to look at.

Mr. ARTHURS: I agree with the Minister of Railways that this item is of vast imporance to the people of Canada. We have a large tourist trade, and the hon. member for Muskoka-Ontario, who is unavoidably absent to-day, and I, represent one of the oldest playgrounds in Ontario. People have been coming there for years, and we are in the satisfactory position at the present time of having lost only a very small percentage if any of our ordinary tourist traffic. But there are immense possibilities not only along the Muskoka lakes and Georgian bay and the famous French river country, but possibilities in vast territories not yet open to tourist traffic. This vote is therefore a move in the right direction. In the past, so far as I am aware, the efforts to secure tourists have been confined largely to the individual resort proprietor and to the railways, with possibly some slight assistance from the provincial governments and from the parks branch of the Interior department. I would suggest to the minister that as far as possible these various efforts should be coordinated. Copies of advertisements issued by his department should be sent to these various agencies I have mentioned, the railways, the resort proprietors and the provincial governments, and they in return should and, I believe, would supply this department with copies of any advertisements they issue. Thus we might coordinate our efforts, saving money and probably covering a good deal more ground. There is another point I would press on the committee and that is the advisability of advertising our own provinces in Canada. Many of us have no doubt been in the province of Quebec and have seen the great scenic beauties there, and I am sure we feel better and have a higher appreciation of that province by having visited it.

The same is true of the west, even the great mountain ranges and the beautiful resources they have there. In like manner many of our people in the west have never visited Ontario and Quebec, and I think there is at present being spent outside Canada a great deal of money that could profitably and wisely be spent by our tourists by staying at home and seeing their own country first. I do not think this will raise any controversy in the republic to the south. For many years advertisements have been published in the United States magazines under the caption: See the United States first, the same thing has been true of various other countries, and there is no reason why we should not encourage that sentiment among our own people and show them the advantage of visiting those parts of Canada which they have not already seen. By this plan there would be kept in Canada money which would be just as useful to this country as money brought here from any foreign land.

I would also point out that in my section in particular we find that a very considerable proportion of those visiting it become property owners. They acquire a small piece of property in that district and build thereon summer residences, some perhaps small, others costing many thousands of dollars. In this way they become almost regular citizens of our

country, and they give employment to many others such as the caretaker of the cottage, the man who puts in the ice, the man who cuts the wood, the farmer who supplies the vegetables and probably meat during the summer months. This has become a regular traffic in many places giving regular employment during the summer season.

I do not propose to detain the committee further. I would only say that I am entirely in favour of this appropriation, and in doing so I think I am voicing the opinion of ninety per cent of the people of Canada.

Mr. HANBURY: Coming as I do from the one spot in the whole of America that needs no praising as it is recognized by people all over this continent as the one chief mecca of the tourists of this country, I wish to offer my congratulations to the government on having established this tourist bureau. I wish to congratulate the minister upon the presentation of his report to the committee and also on having chosen Mr. Leo Dolan as director of this tourist bureau. I had the pleasure of listening to Mr. Dolan when he was addressing the tourist bureau in British Columbia, and when this department is extended to the degree to which I think it should be, I would suggest that Mr. Dolan will require assistance. I believe in the Minister of Railways we have an equally enthusiastic tourist booster, so I would suggest to him that even after the change of government at the next election we may well have some place for him.

Mr. JACOBS: It all depends on his politics.

Mr. MACKENZIE (Vancouver): He might change again.

Mr. HANBURY: I believe the report that has been placed on the records to-day by the Minister of Railways will appeal to all of us as a matter of the utmost importance. The tourist traffic is an industry that is more capable of development than any other line of endeavour we have in Canada to-day. We know the world is filled with what we have to sell and we have difficulty in selling it, but as the minister has stated, we have in this industry something that is capable of development to the point where we can all benefit to a greater extent than we have done in the past. We have the illustration of other countries. The minister mentioned the state of Maine, and we all know of Switzerland in Europe. We have our Switzerlands and Maines in Canada, and all we have to do is by advertising to show to the peoples of the world what we have to offer them. But in doing that we have certain duties, and one of the most important—and I believe it ought to be a federal duty—is to provide the proper roads for motorists who come to Canada, so that they will see our country to advantage and return. Unquestionably tourists going from the eastern to the western part of America in too many cases use roads on the United States side. They have the very finest highways it is possible to have, and I do not think in portions of this country we can lay claim to similar roads. I believe the importance of the tourist traffic to the dominion will make it necessary for the federal government in the very near future to take over certain trunk roads, to construct certain trunk roads and to maintain them and see that they are properly operated.

The minister has referred also to the necessity for the Canadian people extending the greatest courtesy to all our tourist friends. He has referred to our officers in the customs and immigration departments and the extent to which they are cooperating with all of us in encouraging our United States and other friends to visit Canada. One other point I would like to make in that particular connection—and the minister has touched upon it—is that in tourist traffic as in trade of all kinds you cannot buy without selling, nor can you sell without buying. In other words there must be reciprocity. Reciprocity means that we must not discourage our own people from visiting the United States, and if we are to encourage our people to visit that country and to reciprocate with our cousins there, this means also that our customs and immigration officials must be equally courteous to returning Canadians, something that is not always a fact. Therefore I suggest to the director of the tourist bureau and to the minister that steps should be taken to see that returning Canadians are extended the same courtesy as that shown to our visiting friends.

There is one feature I would like to point out in connection with advertising for tourist traffic and it has not been touched upon particularly here to-day. It is a fact that throughout Canada our railroads are suffering for want of traffic and our hotels for want of trade. I believe every dollar spent in advertising for tourists will bring a return not only tenfold but a thousandfold and will have a tendency to fill our hotels and to make our railroads more profitable than they have been in the past. In that regard I wish to congratulate the minister again on having received authority from the government to increase this item by one hundred per cent, but I

suggest to him and to the members of the committee that we should give this appropriation very serious consideration. I believe not only should we double the present appropriation, but we should even add to that; instead of $200,000, this item might very well be $500,000. Such a sum could be spent to the best advantage and would probably be the best investment we could make during the present session. I would ask other members of the committee to support me in my suggestion that the minister submit to the government the possibility of a larger appropriation being made, and I believe if proper emphasis is given to the importance of the matter, the government will accede to the request which I know the Minister of Railways will make, so that we may have a proper contribution in order to induce tourists to come to Canada.

I wish to close with just one or two words about British Columbia. Many hon. members have not as yet visited my province; many have. To those who have been there, it is unnecessary for me to make any remarks. In British Columbia we have another Switzerland; we have everything they have in any other part of the world. Leaving the very centre of Vancouver on any day in May and sometimes in June, by taking a motor drive of thirty minutes to Grouse mountain, the tourist or the citizen or the member of parliament, may be in a winter resort where there is skiing, sleighing and the most beautiful view that the eye can see. We have to the United States boundary and through the interior of British Columbia some very fine highways, but roads that are not to my mind sufficient for the industry which we hope to develop in the tourist traffic. We have the historic old Cariboo road; we have Vancouver island which is a beauty spot in itself, and as a matter of fact any person familiar with British Columbia and with the beauties of so many parts of that province, could talk for hours and still touch only the fringe of the subject.

The reason for my remarks in that connection is that I believe it is incumbent upon this government or any other government, this year and every year, to do more to encourage members of parliament and public men in Canada to visit the various parts of the country until we learn what we have. In that connection I wish to make a further suggestion. We are very anxious to cooperate in every way with our friends in the United States. Not only do we want them as tourists, we want them also as business partners, we want to trade with them. The people of the United States in many cases know little of Canada. To many of them Canada signifies nothing but an expanse of ice and snow; they think there are only Eskimos and Indians up here. I suggest that some way be found whereby the members of the Senate and the Congress of the United States could be given the courtesy of the Canadian railroads so that they may become familiar with the people and conditions in Canada.

I congratulate the government and the minister on this vote, and hope they will go much further than they have already; they will have my hearty support in doing everything possible to develop tourist traffic, and I trust the item we have under consideration at the present time will be increased.

Mr. CHURCH: I should not have taken part in this debate were it not for the absence of the hon. member for Muskoka-Ontario (Mr. McGibbon) who has taken a great deal of interest in this vote. In the development of the tourist industry is to be found a solution of one of the economic difficulties of this country, namely that of seasonal unemployment. I am glad to see the reception that this vote has got from hon. members representing many parts of Canada. I agree with the hon. member for Vancouver-Burrard (Mr. Hanbury) that his province is rich in its attractions for tourists, as are also the maritimes and in fact all the provinces. There has been an unfortunate failure on the part of various governments, both dominion, provincial and municipal, to make the best of this great resource. After all the wealth of this country does not consist only in its material resources of sea and soil, forest and mine, its harbours or its internal trade; one of the greatest is the character and vigor of our people. But a large number of our working people, owing to the peculiar economic conditions in large cities, receive no benefit from our salubrious climate and the great outdoors. I am glad to see the minister giving this matter his consideration. After all it is not a new topic. When I first came to the house in 1922, I urged that commutation tickets should be sold on the steam railways to give to every city of the dominion what they have on the island of Montreal and I introduced a bill to that end. The great industrial population of that city have under the Railway Act something which no other city has, a system of commutation tickets covering the district all along the river, enabling the working people to get out and enjoy the attractions to be found there for four or five months of the year. I wish to commend the present minister who gave his support to that bill which I introduced. The people of the United States,

England and France after the war were given cheap fares on the railways for week-ends and holidays and if the same thing had been done in Canada it would have been of the greatest value to the railways, giving them a considerable income. But what happened? The railways ignored the opportunity, with the result that a system of good roads was established, and now motor buses and trucks are robbing the steam roads of a great volume of traffic, especially in the summer. Take the sporting events, such as the hockey and football games between Toronto and Hamilton, Montreal and Quebec, or Montreal and Ottawa; do those teams use the railways? No, they can take a bus right from the clubhouse door to the scene of the game and come quickly back in less than half the time necessary by railway.

Coming from the province of Ontario, I believe in the principle of confederation; each for all and all for each. What is good for tourist trade on the Pacific coast is good on lake Winnipeg and the great lakes and the maritimes. There is no country in the world with greater attractions for tourists and sportsmen than Canada, both winter and summer. But we are far behind England and continental countries and even the United States in the development of tourist trade. We have spent billions on railways and canals and ships, but we are not making full use of them. We have the great lakes with their possibilities. In earlier days on lake Ontario there were many large passenger boats; on the line between Toronto and Niagara millions of people were carried by three or four large boats, but to-day that trade is taken care of by one large boat and one smaller one. The city of Toronto has pioneered in this work, it has established the great Canadian National exhibition, which has been the backbone of tourist trade as far as that province is concerned. Toronto has spent nearly $20,000,000 for extensive grounds and magnificent permanent buildings and exhibits without any help from this parliament and little from the provincial government. These grounds and buildings are owned by the taxpayers of Toronto. We have also established a great winter fair which attracts tourists in the winter. Critics say there is nothing like it except in Chicago and New York. I do not see my hon. friend the Minister of Agriculture (Mr. Weir) here or his predecessor (Mr. Motherwell) but I say the only help that the winter fair got from this parliament was a contribution towards one of the smaller buildings. Toronto has also a fine harbour and has established a beautiful island which is a priceless asset to the city. I am referring to Toronto as an illustration of what can be done by a municipality, because this vote should be supplemented by the provincial and municipal authorities from the Atlantic to the Pacific. We have got to take a leaf out of the book of the United States. The great Theodore Roosevelt was the first to realize what the tourist trade could mean to the United States in connection with the Panama canal, which is paying its way to-day owing in some considerable degree to the tourist trade. They have been pioneers. The people of the United States, like the British-born, take a great deal of pleasure in attending sporting events and going to the country for week-ends. This vote is but a little one, it will be used mainly in advertising. In the session of 1922 a return was brought down in the house, moved by the hon. member for Sherbrooke, showing the proportion of cash taxes paid by the central provinces of Ontario and Quebec, and that proportion was 79¾ per cent. As I say I believe in the principle of each for all and all for each. Here are two provinces that have been overlooked as far as tourist trade goes. Ontario has the great lakes, the Muskoka district and the lake Simcoe and Georgian bay district. Up to a few years ago there was not a good road in the whole region but it has now a magnificent system of roads. Just last week after a meeting with my hon. friend the member for Muskoka-Ontario (Mr. McGibbon) at Bracebridge, I moved for an order of the house for a return relating to a national park in the Muskoka-Georgian bay area. There should be a large park for tourists there in connection with the national railways. To my surprise I found that in that great province little or nothing has been spent. The only park that they have in older Ontario is a small island in Georgian bay, the Thousand islands and Point Pelee in lake Erie. Now that is a very small contribution. The main revenues of the national railways are from Ontario, yet we have little or nothing along this line.

This vote will help to solve a great economic problem, namely the need for an inrcease of markets for the farmers. I refer hon. members to page 55 of a work written by a great Conservative in England, W. S. Morrison, of whom I spoke the other day. He refers to Oliver Goldsmith and what he said in the seventeenth century. In supporting this vote we are seeking to be real conservatives, because in doing so we are attempting to save our natural resources for the people, and to develop them to the point where they will be valuable both in summer and in winter. We are trying to encourage the people to use

our great public services, our natural resources which are to be found in rivers and streams, and around the summer resorts of our country. As Mr. Morrison states in his text book, one of the greatest results of the tourist trade in England has been the benefit it has given to the English farmer. The way money has been spent on the tourist trade, on good roads and good hotel accommodation has, indirectly, been beneficial to the farmer.

In the city from which I come only about five per cent of the people ever see lake Ontario, despite the fact that the city of Toronto is situated on the shore of that lake. We spent $26,000,000 on our harbour, fifty per cent of which was spent in industrial development and the other fifty per cent for the development of sports facilities, and so on. Toronto was the home of Ned Hanlan, whose name lingers in the minds of our people, and after whom a part of our Toronto island was named. About a million passengers are carried across the bay to the island in the summer time, but because they have to avail themselves of a ferry service and because there is no bridge accommodation only a small proportion of the people of the city visit the island. The people who work in our industries, the men and women in factories, and the white-collar workers have no place to go for recreation. That condition is brought about by a lack of transportation facilities.

A few years ago, the national railways could to a great degree take care of the tourist business. Years ago, along the north shore of lake Ontario, from the city of Toronto to the city of Brockville there was a boat service carrying the tourist trade. Those boats carried excursions, Sunday school picnics and the like. To-day however that service does not exist. The same would apply to the boat service which used to operate between Toronto and Hamilton, Toronto and Grimsby, and Toronto and Port Dalhousie. To-day on the Toronto to Port Dalhousie service there is an old boat being used, the Northumberland. That service is used for transportation to the Canadian Henley. But it is as much as your life is worth to get on that boat. We need good, fast boat service along the great lakes. At the present time sixty-four boats of Canada Steamships are tied up. Those boats could be utilized on the lakes to solve a great deal of the seasonal unemployment.

Only a few days ago the hon. member for West Edmonton (Mr. Stewart) was speaking of student labour. The operation of these boats, I suggest, would do more towards a solution of the student labour problem than many other suggestions which have been made. These boats run in the summer time and would offer seasonal employment to a greater extent than any other vote now before parliament. I know, as a matter of fact, that some of the best doctors in our country worked during the summer months on the boats running on the great lakes. Many of those boys were our best students. Only a few days ago I saw a man right here in the city of Ottawa who had worked on the boats. In conclusion I should like to read three or four sentences from the observations of Mr. W. S. Morrison concerning the development of the tourist traffic in the old land. He deals, too, with railway traffic and railway earnings, and the solution of casual unemployment by the proper development of summer resorts and institutions of that kind. Some of his observations are directed to student labour. In part he states:

> A sign which used to flourish over some of the inns of Merrie England was called "The five alls." There were depicted the king who ruled all, the priest who prayed for all, the lawyer who pled for all, the soldier who fought for all and the farmer who fed all.

Note the expression "the farmer who fed all." A development of summer resorts would mean an increased revenue for the farmer. He continues:

> The thirsty wayfarer as he entered was by these rude symbols bidden to meditate on a profound economic truth. The provision of an adequate supply of food is the basis of all culture and civilization. The king, the priest, the lawyer, the soldier faint and grow weary when there is no food. But we are a large people in a small island and at present we can feed our people for about one month out of twelve. It seems a hopeless task to attempt to raise supplies adequate to so many mouths. But if the peculiar virtues of this island are considered the problem takes on a new light. It is a most fertile place, where food grows despite all efforts to discourage it. Even now, in spite of the industrial revolution, in spite of square miles of asphalt and cobble imprisoning the kindly soil, agriculture employs more people than does any other industry. The value of the product of island agriculture is higher than the value of the agriculture of any other part of the empire consumed in this country year by year. The capacity for food raising in these islands is immensely beyond anything contemplated. It is a powerful spring depressed by a century of economic anarchy and its rebound has already proved startling, with the first hints of a more ordered and simpler mode of national existence.

That extract from the observations of this economist goes to show the great economic truth, namely that the development of tourist trade would be greatly to the advantage of the farmer. That would be true of the

farmers in the Muskoka district, the district around lake Simcoe, around the summer resort section of which Bigwin Inn is the centre, and in the Niagara district. Where do the tourists obtain their dairy products, their butter, their eggs—even the land upon which they may erect their tents? All these things they must obtain from the farmers who live around lake Simcoe, Georgian bay and in the Muskoka district, and even up into the Lake of Bays district.

I am sorry to note that the vote is so small. It is altogether too small, but possibly it represents only a beginning. At this point possibly I should refer to the open season which has obtained since the opening of the session when all three parties have been calling for social reforms. All hon. members seem to be taking part in this race. We must not forget, however, that social reform, like all other economic questions, is subject to the law of diminishing return. The more all parties combine to exploit it, the more quickly will it be worked out and die a natural death. At that point it becomes aimless, unworkable and unprincipled.

This economic truth might apply with equal force to the failure of the steam railways in Canada adequately to develop our natural resources, and to demonstrate the possibilities of summer and winter resorts. The tourist trade which would use the hotels, the cottages and other facilities would give a great amount of seasonal and casual employment during the months of May, June, July, August and September, and in some of the resorts the employment would continue during the winter.

The hon. member for Vancouver-Burrard spoke about the opportunities offered in Victoria and Vancouver. In those observations he was quite correct. As a house of commons, as a senate and as a parliament we must grasp the true significance of the great assets we have within our borders, and the possibilities they offer towards the solution of seasonal and casual unemployment. I say that this problem could be solved during at least five or six months of the year.

At an earlier point in my observations I mentioned the boat service and the fact that boats are tied up. In that connection I referred to only one city, the city of Toronto, but I have no doubt the same condition applies at other points. I note the vote has been increased from $100,000 to $200,000, but I would say that if we spent $10,000,000 or $20,000,000 we might go some considerable distance towards solving the problem of casual and seasonal unemployment. Especially would that be true of the student class, the young man attending the universities and high schools. Boys and girls leave these schools in the middle of June and do not return until about the middle of September. As a house of commons I suggest we might do a great deal towards helping to place them in some sort of employment. The interest of industry should be directed towards the youth of eighteen years. In England that condition now exists, and has been brought about through the efforts of the Conservative government in that country —while the government may have a Labour leader, yet I say that it is the Conservative party in England which has solved the problem. How have they done it? They have created throughout the country an interest in the youth of eighteen years. However, I shall not elaborate upon this point, as I wish to conclude my observations. May I state briefly, however, I believe as a house of commons we might do something towards solving the problem of obtaining work for the high school pupils who have no employment in the summer months. Despite the millions of dollars spent in technical education, they have difficulty in finding work.

I have touched on only two or three of the principal topics which arise under this important vote, but I hope at the next session we will see in the estimates provision for an expenditure of $5,000,000, $10,000,000 or $15,000,000.

Mr. GOTT: Mr. Chairman—

Mr. CAMPBELL: Mr. Chairman—

The CHAIRMAN (Mr. MacDonald, Cape Breton): The hon. member for Frontenac-Addington has the floor.

Mr. GOTT: If you had eyes in the back of your head you could see me any time.

Mr. CAMPBELL: I do not wish to take up much of the time of the committee in joining in this provincial scenery selling publicity, or in the discussion now taking place, but I do feel as much could be said about my constituency as may be said about many others. The hon. member for Leeds knows what the Rideau lakes district is like. I believe my section of the country will receive a large share of the tourist traffic coming to Canada, and can advertise itself. My reason for rising at this time is to point out to the minister that in each province at the present time there are what might be described as publicity or tourist bureaux, each of which carries on a similar work to that which it is proposed the federal bureau will perform.

I was wondering if it would not be advisable to have some sort of cooperation between the provincial bureaux and the one under federal supervision, so that there would not be too much duplication.

Mr. MANION: That is being considered at the present time. To a large extent that is the object of the federal bureau.

Mr. CAMPBELL: I should like to endorse the observations of the hon. member for Vancouver-Burrard; I feel the vote should be increased. As the hon. member pointed out, it may be possible to build up an advertising agency which would be more central. This afternoon nothing has been done or said to indicate that radio has been used as a medium for advertising. It may be that radio advertising would be expensive, but if some of this vote were judiciously spent for radio advertising, by means of which a first class word picture of certain points in Canada might be given, it would have the effect of drawing large numbers of tourists from other points on the American continent, thus resulting in better returns for the money spent.

Mr. SHAVER: Mr. Chairman, it is a pleasant interlude in the political controversy which has been raging in this house most of the time since the beginning of the session to see the unanimity with which members of all shades of political opinion are agreed as to the necessity of a large vote for promoting tourist traffic in the Dominion of Canada.

Many members have dwelt upon the scenic beauty of the districts from which they come, and I am sure we are all agreed that no country of the world has such a variety of scenery to delight the tourist as has Canada. But there is one point that has perhaps not been mentioned to any extent and that is the fact that no country on the American continent has so many historic places as Canada has. I well recall the thrill which I received when I visited the old historic city of Quebec and thought of how it was linked up with the very birth of civilization on the north American continent. These historic places impress our friends from across the line, though perhaps not to the same extent as they do Canadians, but still to a very great extent indeed. Go to any of these historic places and you will find American tourists by the score, visiting them, taking notes and taking snapshots of places of interest.

The county which I have the honour to represent is a very historic part of the province of Ontario. It was settled first by the United Empire Loyalists, and there are many places there to attract the attention of the tourist and to which tourists frequently come. One of them is the old historic church of St. Andrews, a Roman Catholic church about six miles north of Cornwall. The old church, which is now used as a parish hall, was built in the year 1789, and it is a fine old building. In the beautiful cemetery adjoining it the first premier of Ontario lies buried, also Simon Fraser, that great explorer with whose name I am sure our friends from British Columbia are familiar because he gave his name to the great Fraser river which flows through their province. There is also the Cornwall grammar school, founded by Bishop Strachan over a century and a quarter ago.

But I am particularly interested in this vote because in my constituency is located the only bridge across the St. Lawrence river in the international section, the bridge at Cornwall which was opened last summer by His Excellency the Governor General. Many members of the House of Commons were present at the official opening. The bridge is connected with all the main trunk highways in northern New York and fronts upon No. 2 highway in Ontario, running along by the St. Lawrence river on the Ontario side and connecting up with the city of Montreal. It is the most natural route for any American tourist to take who is coming to Canada from all the central and eastern sections of the United States. Crossing that bridge to get to highway No. 2, and turning to the right, you go to the town of Cornwall, and then straight for about eighty miles into the city of Montreal. If on leaving the bridge you turn to the left you can follow No. 2 highway to Toronto, or going to Morrisburg you can then turn straight north to the city of Ottawa. Taking another road slightly different you can go to the Seigniory club or to other scenic spots in Quebec north of the Ottawa river.

The minister mentioned that most of the advertising which the department has done in the United States has been confined to the northern states. I think it is a very good idea that part of the advertising at least should be extended to the southern states as well. One living on No. 2 highway, as I do, has many opportunities of forming an estimate of from what sections of the United States the tourists come, and it is a very common thing to see cars from California, Carolina, Texas, Georgia and other southern states. They are attracted by our northern climate and are likely to come in increasing numbers if the beauty of our country is held out to them.

There are two bridges on either side of Cornwall island, and connecting these bridges there is a fine paved highway across the island, the whole making a driveway of great scenic beauty. Many compliments have been paid by tourists to the courtesy of the officials on the Canadian end of the bridge, both customs and immigration officers. The minister has spoken of the fact that a great deal of advertising has been done by booklet, the distribution of maps, advertising in magazines, and in other ways. I would strongly urge upon him, if he has not already done so, the advisability of marking upon the map particularly the Cornwall bridge, because, as I said, it is the only bridge in the international section of the St. Lawrence river and the attention of tourists should be drawn to it because it provides a very safe and convenient method of getting into Canada.

I would also mention that eighteen miles west of Cornwall at the village of Aultsville, where I live, a convenient ferry crosses a placid and very pleasant portion of the St. Lawrence river. Any tourist who prefers to cross by ferry might choose that method of crossing and perhaps find a little bit of romance in it if he has not crossed on a ferry before. I would like if it would be possible for this point on the river also to be marked on the maps.

I agree with what other hon. members have said as to the necessity of encouraging as much as we can tourist traffic to this country. It means a lot particularly to the people situated along these highways. It means considerable additional revenue for them during the summer months, and there is an educational value to it as well because many of these Americans stop for a time and in conversation with our Canadian people we learn something of that great land to the south of us.

It was suggested by an interjection in the debate that perhaps the tourist trade from the United States to Canada had fallen off since the repeal of the Volstead Act. I would not agree with that at all, because it seems to me that the proportion of our American friends who came to Canada in order that they might escape the effects of the Volstead Act in their own country was very small indeed. I think that at least ninety-nine per cent of our American friends come to Canada because of its scenic beauty and historic spots, and that they may become better acquainted with their neighbours north of them and help in establishing that bond of international good will which I am sure we all wish to develop between these two great nations.

Mr. McDADE: Mr. Chairman, may I congratulate the minister upon the clear-cut and comprehensive review which he has presented to this house of the activities of the Canadian travel bureau. I recall that last year when the special committee of the Senate was set up under the chairmanship of Hon. W. H. Dennis to study this question, various witnesses from all parts of this country came before that committee to give testimony. The initial meeting of the special committee was on the second day of May, 1934. The report was submitted to the Senate on the twenty-second day of May and was approved by parliament on the third of July, and a director, Mr. Dolan, was appointed on the twenty-fourth day of July. I mention these facts, Mr. Chairman, to point out that when a man of the capacity and energy of Mr. Dennis sees fit to tackle an important project he discharges his duties in an eminently satisfactory manner. I agree with the remark of the minister that Mr. Dennis is one of our public spirited citizens. He is a man of large business interests, running, as he does, the Halifax Herald, one of the most important of the daily press of the east and indeed of the dominion.

Coming from the province of New Brunswick I naturally take special pleasure in congratulating the Minister of Railways upon his selection of Mr. D. Leo Dolan as director of the Canadian travel bureau. Mr. Dolan is a native of the celestial city of Fredericton, the capital city of the fair province of New Brunswick, and in addition to other qualifications he is a convincing platform speaker. He is an outstanding organizer, a former newspaper man in the east, known in other parts of Canada, and withal he is an energetic worker. It is therefore with pardonable pride that as a former newspaper associate of Mr. Dolan in Fredericton and elsewhere, and a former official reporter of the legislative assembly of New Brunswick, I take this opportunity to make these few observations and to express my thanks to hon. gentlemen opposite for their flattering remarks with regard to the director. Of course, I appreciate the fact that the appointment is in no sense a political one, nor is this question in any way a political issue. I submit however that this is the first time in the history of this country that the various tourist activities carried on by boards of trade, railway tourist departments and other agencies have been coordinated under one head. It is true that in the past some

work has been done by various organizations, town councils, boards of trade and chambers of commerce, but it was only last year, under the chairmanship of the committee in the other house, that a concerted effort was made to coordinate these various interests, and I think it can be said that the results already achieved indicate the wisdom of the step then taken.

It would be perhaps unfair if, in view of the remarks we have heard this afternoon regarding the beauties of particular sections of Canada, someone from the east did not rise to stress the advantages which we enjoy in that part of the country from the tourist point of view. We have in New Brunswick some of the greatest big game hunting grounds in the world; that is admitted. We have, particularly in the Miramichi and Restigouche sections of New Brunswick, probably the best rivers for salmon in eastern Canada, ideal from the angler's point of view. And in Miramichi and Tabusintac bay we enjoy the best duck, brant and goose hunting. There are also first class hotels and splendid boarding houses. I can assure my hon. friends that a characteristic Miramichi welcome awaits the visitor, and at any time that hon. gentlemen on either side of the house wish to spend a pleasant holiday we shall be quite pleased to welcome them. I can promise them a cordial reception.

I should not like to take my seat without making some further reference to the facilities for goose and brant shooting at Tabusintac bay. This is one of the ideal spots in the world for goose and brant shooting, and some of the wealthiest sportsmen in the United States make annual trips to that area for this form of recreation. The outfitters are well equipped to provide them with everything they require, and one of the best camps to be found anywhere is included in the ample accommodation.

I hope that funds will be available to the Canadian travel bureau to extend its work to the continent of Europe, because I believe that there are possibilities there for tourist traffic to Canada. I am happy to associate myself with the previous speakers in endorsing this vote, and I am glad to have had this opportunity to say a few words regarding our striking scenic beauties, our big game hunting grounds, and the facilities for shooting and fishing in New Brunswick.

Mr. GOTT: I wish to apologize to you, Mr. Chairman, for the rude remark I made to you a moment ago. Having risen eleven different times, and in my opinion having been first on my feet each time, naturally like many other hon. members I lost my equilibrium and directed to you the remark, "If you had eyes in the back of your head you could see me." I beg to offer you my humble apologies.

With such unanimity of sentiment in this house on this question it would be a pity that there should be any note of discord, but the hon. member for Témiscouata having just come in, he may oppose the vote. Let me say that I represent a part of this country that advertises itself without any vote for tourist purposes. I have the honour to represent a constituency in which there is the greatest bird naturalist in the whole world, because in my riding there is the sanctuary of Jack Miner, which attracts thousands and thousands of tourists every year. We do not need a vote in the House of Commons to draw people to the Miner sanctuary. I am not going to oppose the vote, whether the hon. member for Témiscouata opposes it or not, except to say that it is too small. In Essex county we have some beautiful parks. Point Pelee national park and those at Kingsville, Leamington and Amherstburg, and we have delightful swimming beaches, bathing beauties and large mosquitoes.

An hon. MEMBER: And onions.

Mr. GOTT: Well, we have probably the largest and finest onion fields in the whole Dominion of Canada. While I am on that point, I want to correct my hon. friend from Toronto East (Mr. Church); Point Pelee is not an island. The hon. gentleman should study geography a little closer; if he does he will find that Point Pelee is part of the mainland, though there is an island known as Pelee island. They also grow onions at Pelee island, but the onion fields at Point Pelee are worth a visit. I would commend it to anyone crossing the border. I would also suggest that hon. members of this house who have not done so should see our huge tobacco fields and the corn belt in Essex and Kent counties as well as our beautiful orchards, not to mention the different grains we produce in Essex and Kent. A visit to these counties would be well worth their while. As regards the Peace bridge and the Rocky mountains, and their scenic beauty, I venture to say that they have none of the exquisite pastoral beauty of the onion blossom. We have the only alkali plant in the whole dominion at Amherstburg.

An hon. MEMBER: Alcohol?

Mr. GOTT: I did not say alcohol, but we have one of those too. There is in the riding I represent the largest tomato plant in the

world, purchasing every year over a million bushels of tomatoes from the farmers in that section. Altogether, the beauties that are to be found in the county of Essex, not only the Miner bird sanctuary, but our beautiful river and lake drives, are well worth the while of any tourist who comes across the border. We have several direct routes of communication. There is a vehicular tunnel between Dertoit and Windsor, the ferry service, the railway tunnel and the international bridge, all ideal means of communication between the United States and Canada. On behalf of the people of Essex county, I extend to hon. members of this house and to visitors from the United States a cordial invitation to visit us. I congratulate the minister on bringing down this vote and on the fact that he has secured the services of one who is so thorough in his work to take charge of this department, in the person of Mr. Dolan.

Mr. EULER: It is perhaps unnecessary for me to enlarge upon the tourist industry since all hon. members who have already spoken are entirely in favour of this vote. I might suggest here to the minister, or perhaps to Mr. Dolan, who has been so highly spoken of, and properly so I suppose, that he might very well avail himself of the propagandist activities of some of the members of this house, using them next year throughout the United States to advertise the beauties of their own particular districts. I do not propose to do that myself, because the advantages of the community from which I come are so well known as to make that quite unnecessary. I rise to make merely one or two observations which I think are of some importance.

There are to my mind three or four essentials in the promotion of the tourist industry as it is called. The first is perhaps to enhance as much as possible the natural attractions which we have in this country; second, to make them accessible by the construction and maintenance of good roads. It seems to me that that is absolutely necessary. The third is to make those attractions thoroughly well known, especially in the United States, by means of advertisements and otherwise. While I am speaking of that I would say this—and this is what I rose to say perhaps more than anything else—the very best advertisement we can get for Canada as a place for tourists to visit is to satisfy those tourists when we once get them. There are several ways in which that may be done. In the first place, when they enter the country, the way in which we treat them is of the utmost importance. I can remember very well some years ago in the Department of National Revenue, when a tourist entered Canada with a motor car he could get a permit for only thirty days, a period which in many cases was not long enough. We increased that to sixty days and later to three months. Then again we made the tourists bond their sporting equipment, rifles, cameras and things of that kind. Those regulations have all been wiped out, and I have no doubt that the practice then adopted is now being continued by the Department of National Revenue. The same principle should be adopted by the Immigration department; that is, put as few obstacles as possible in the way of the tourists at the border and once you have them in the country, let them be given accommodation that will make them go away thoroughly satisfied. It might be quite possible for the minister by means of some of the appropriation now being voted, by a species of propaganda right in this country to impress upon those who are serving the tourists, to give them a fair deal and not to try to extract extravagant prices by way of rates for hotels or meals along the highway. That is very important. Any tourist who leaves Canada feeling that he has been imposed upon, although this may be some very little matter, goes home and talks to his neighbours. If he can say a good word about his trip, that will do more good to the country generally than anything that can be done by way of advertising.

That is all I had intended to say except this in conclusion. If this industry can be brought to such large proportions as some have suggested to-day, such as $300,000,000, or $400,000,000, or perhaps half a billion dollars, it is worth while to spend a little more money than we are being asked to vote now to bring about that result. Last year the appropriation was $100,000; this year it is being increased by another $100,000, but $200,000 is a mere bagatelle when one considers the proportions which the industry may reach by means of more advertising and other ways of promoting it. I would like to say to the minister, if this is any satisfaction to him, that I and I think all hon. members on this side are quite in accord with what he desires to do. I think nearly all of us would be quite willing to vote a larger sum, believing it would be money thoroughly well spent if it were properly spent in the promotion of tourist traffic, and in order to obtain for this country such a large income as from $300,000,000 to $500,000,000.

Mr. MYERS: I have listened this afternoon with more than the usual amount of interest to this discussion of the tourist traffic in Canada. In the first place let me extend my congratulations to the minister in charge of this work upon the effort that is being put forth, very wisely in my opinion, to advertise our country to the tourist world. It is really hard to estimate the value of the tourist traffic to the dominion or to any province. For instance, let us consider the matter from the farmer's viewpoint. If for even three months of the year we could double the population in a community, one can see what that means in the way of consumption of farm products.

However, what I rose chiefly to say is that I have listened with a great deal of pleasure to the different members who have spoken on this question this afternoon, advertising I presume their different constituencies. I even noticed, as I rose to speak, that the hon. member for Marquette (Mr. Mullins) intends to follow me in this discussion. I was just wondering what on earth he could have to say that would attract tourists to a section like his. I was equally surprised at the hon. member for South Essex (Mr. Gott) setting forth as an attraction for tourists from the United States, from Britain, from the whole world, a patch of onions. If there is any one vegetable that is mean to look at, unattractive to my way of thinking, it is an onion, and I have grown everything from rhubarb to potatoes. The idea of holding up onions as an attraction to tourists!

Let me tell the committee the truth about this whole matter. When you bring your tourists into Canada, if you want them to see the very best that you have in the whole dominion in the way of natural scenery and from the standpoint of their own health, because that is one of the things that bring tourists or visitors here and there in their holidays in the summer time; if you want to give them wise direction, by all means advise them not to leave this country before seeing Prince Edward Island. The province from which I come has a name of its own. It is situated on the border of the Atlantic ocean, an island crescent in shape. The former name of the island was Abegweit, the Indian name, which I believe means "cradled on the sea." But we have a better name for it, "the garden of the gulf," and to anyone who sees it for instance from the air with its nice, square fields, attractive farmhouses and buildings, all painted or whitewashed, nice fences, green fields and the best and purest of running water that is to be found in any part of the whole world, it certainly has the look of a well kept and well cultivated garden.

Before I proceed to elaborate on the beauties and attractiveness of Prince Edward Island, let me give this advice to people from western Canada who want to take a trip to the east during their holidays in the summer time: If you go to Nova Scotia and New Brunswick, they are all right in their way so far as they go, but do not come back saying that you have seen the maritime provinces if you have not seen Prince Edward Island, because that would be a fallacy. Everyone who lives in that island and many who do not live there know very well that Prince Edward Island is from many standpoints the banner province of the three.

I would like to say just a word about our sea beaches. They are red sand, hard sea beaches. We have there what is unknown to people in central Canada—the rise and fall of the tide twice in every twenty-four hours. The tide recedes, going out possibly a mile from the shore and leaving bare those beautiful, level sand beaches. When the tide is out the hot sun warms those beaches, and when you go out in your bare feet, the sand is quite hot. Then when the water flows back slowly with the rise of the tide, the hot sand warms the water which gives you beautifully warm water to bath in. Let me say this also to the people of central Canada: This is salt water; it is the salt sea waves, and no man's education is quite complete unless he has seen, tasted and had a swim in the salt water.

So far as hotels are concerned, we have a splendid Canadian National hotel in the city of Charlottetown, one of the best little railway hotels in the dominion, and I believe from the standpoint of revenue it is doing much better than any of the rest of the system. In addition to that we have many hotels, especially round the north shore where the best bathing is to be found. In addition many of our enterprising people in Prince Edward Island have provided cabins in which tourists can stay overnight. These cabins are rented at very reasonable rates, and tourists coming in their cars often remain in one cabin for two or three days and then move on to another part of the island. Our people realize that these tourists are not always wealthy people, and the charges both in the cabins and the hotels are very moderate. From the standpoint of health, which has an intimate relation to this matter, Prince Edward Island is in a unique position. As regards dairy products, every milch cow on Prince Edward Island has

a clean bill of health; our province is absolutely free from bovine tuberculosis. Back in 1925 we had our cattle tested for the first time, and in that first test less than half of one per cent showed reaction. On a subsequent test some three years later only one-tenth of one per cent reacted. A further test is to be made during the coming summer. So that freedom from animal tuberculosis is one of the attractions of our province. When you take a drink of milk or eat our butter or cheese you have the guarantee that it is absolutely free from that dread disease. Then we have the very best fish that Canada can supply. I told you on a former occasion about our magnificent codfish, mackerel, lobsters and oysters, of which we are so proud. I take this opportunity of inviting the people of Canada to pay a visit to Prince Edward Island and partake of the good things we have in the way of fish. Then in potatoes it is our boast that we grow the mealiest, the driest and the best flavoured potatoes to be found anywhere in Canada. And what is true of potatoes is true also of turnips. I think it is well known that with reference to turnips Prince Edward Island occupies a unique position; there is no other place I have ever seen where you can grow turnips of the quality that we can in Prince Edward Island.

Mr. HANSON (Skeena): Tourists are not interested in turnips.

Mr. MYERS: I might go on; we are proud of having the best mutton and lamb to be found anywhere in Canada. Then one of the attractions is the passage from Cape Tormentine, New Brunswick, in that palatial car ferry the Charlottetown, run by the Department of Railways. It is a real treat to cross in that magnificent ship. On one deck there are three railway tracks which can accommodate sixteen standard railway cars; you drive your automobile right on the upper deck under its own power, and that deck carries from fifty to sixty automobiles. So you have no trouble in getting across. The only weak link is the railway between Sackville and Tormentine, which is not up to the standard. On another occasion, possibly when the estimates of the Minister of Railways are up, I may have an apportunity to register a protest with reference to the service we are receiving on that line.

In conclusion, in order to make way for my hon. friend from Marquette, let me just say that one's education as a citizen of Canada is incomplete until he has visited Prince Edward Island.

Mr. MULLINS: We have listened to a description of the beauties of Prince Edward Island, Ontario, and the lower parts of Canada, but I say to hon. members that until they have visited Manitoba and the great west they have not seen Canada. Although hewn out of the forests only a comparatively few years ago, one of the most beautiful spots in all Canada is the Riding Mountain national park, situated in the constituency I have the honour to represent. We have also an international park in the southern part of the province. We cannot go back to the days of Jacques Cartier and Cabot or those historic events in the early history of Canada, but we can show you wild life in its natural state. We show you the buffalo, the elk, the moose, all within a few miles in that park. And we can show you one of the most beautiful lakes in all Canada, called Clear lake—not salt water. We have also in that park—and it was taken care of by the Minister of the Interior—a well the waters of which will cure a wooden leg. Go and drink of that water and I care not what is wrong with you, it will cure you of anything in the way of inward troubles.

Mr. DUPUIS: Would it cure even the government?

Mr. MULLINS: I hope the minister will include in his estimates a sum to help us in Manitoba. We have tourists coming into the park from the Dakotas and from Minnesota and all that western country, and once they come they always want to come back. I can guarantee that if those of you who live in the east and who think so much of your country down here will come to Manitoba and take one look at that beautiful lake and Riding Mountain national park, you will enjoy it as we do.

Mr. SPENCER: May I remind the committee that the largest and finest buffalo park in the world is in the centre of Alberta, in my constituency.

Mr. MANION: Apparently it is the desire of the committee to go on a little longer with this, but before six o'clock I would like to say a word or two in reply. May I first express my deep and sincere appreciation of the kindly cooperation shown by hon. members from all parts of the house, and their interest in this great industry. I do not think by any means that this discussion has been a waste of time; the opinions expressed by hon. members on both sides have been helpful. It has been suggested that the amount of money appropriated for this purpose should

be increased. I hope the time will come to do that, but I doubt if there is much chance this year. I have received many suggestions that would be useful, and I thank hon. members for their advice and cooperation. I do not want to talk out my own estimates, so I shall sit down.

Mr. HANSON (Skeena): This seems to be a free for all, and as so many have risen to compliment the minister on this vote I should like to say a few words on behalf of British Columbia. If it is too late now I would like to reserve the right to speak next time.

Mr. MANION: Then call it six o'clock and we shall go on another day.

Progress reported.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 7, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MONTREAL HARBOUR

Mr. CASGRAIN:

1. How many employees were employed at the Montreal harbour during the navigation season of 1923 and that of 1934?

2. What salaries were paid to these employees during the above years?

3. What was the tonnage of the vessels that entered the Montreal harbour in 1923 and 1934?

4. How many vessels came to Montreal in 1923 and 1934?

Mr. DURANLEAU:

The following information has been furnished by the Harbour commissioners of Montreal:

1. Employees

	Maximum	Average
1923	2,167	1,552
1934	2,056	1,487

(Note.—The 1934 figures include 179 average and 276 maximum employed on Public Works Construction Act works).

2. Salaries and wages paid in 1923. $1,871,770 03
Salaries and wages paid in 1934. 1,674,843 15

3.

	1923	1934
Trans-Atlantic vessels	3,221,781	3,741,063
Coasting vessels	461,939	1,266,460
Inland vessels	4,070,283	3,305,503
Total net regd. tonnage	7,754,003	8,313,026

4.

	1923	1934
Trans-Atlantic vessels	892	1,036
Coasting vessels	190	819
Inland vessels	5,609	3,702
Total	6,691	5,557

(Items 1 and 2 for 1934 include employees on Jacques Cartier bridge which did not exist in 1923).

IMMIGRATION

Mr. COTNAM:

1. How many immigrants were admitted to Canada from: (a) British empire countries; (b) United States of America; (c) foreign countries, each year from 1920 to 1934 inclusive?

2. How many immigrants left Canada for the United States of America each year from 1920 to 1934 inclusive?

3. How many Canadians returned to Canada from the United States of America each year from 1920 to 1934 inclusive?

Mr. GORDON:

1. Fiscal year	British empire countries	From U.S.A.	All other countries	Totals
1919-20	60,659	40,728	7,021	108,408
1920-21	75,783	38,310	24,635	138,728
1921-22	39,606	21,670	21,048	82,324
1922-23	36,360	16,566	14,520	67,446
1923-24	78,740	17,211	49,299	145,250
1924-25	54,943	15,818	40,601	111,362
1925-26	37,569	18,778	39,717	96,064
1926-27	50,378	21,025	72,586	143,989
1927-28	51,552	25,007	75,041	151,600
1928-29	59,497	30,560	77,666	167,723
1929-30	64,962	30,727	67,599	163,288
1930-31	28,144	24,280	35,799	88,223
1931-32	7,332	14,297	4,123	25,752
1932-33	3,283	13,196	3,303	19,782
1933-34	2,454	7,740	3,709	13,903

2. There is no information available showing emigration from Canada to the United States or elsewhere.

3. Figures are available only from the 1st April, 1924. The movement since that time is as follows:

Fiscal year	
1924-25	43,775
1925-26	47,221
1926-27	56,957
1927-28	39,887
1928-29	33,798
1929-30	29,830
1930-31	30,209
1931-32	19,411
1932-33	17,625
1933-34	9,172

SOLDIER SETTLEMENT ACT

Mr. HANSON (Skeena):

1. What is the total amount of loans outstanding under the Soldier Settlement Act in British Columbia at the 31st of December, 1934?

2. What is the total number of loans granted under the act in the province at this date?

3. What is the minimum and maximum amounts granted in each case?

4. What are the names and addresses, and salaries of those administering the Soldier Settlement Act in British Columbia at said date?

Mr. GORDON:

1. $6,812,782.26.

2. 3,692.

3. Minimum, $18.70; maximum, $8,000.

4. G. Chalmers Johnston, District Supt., Vancouver; salary, $3,204.

Office Staff, Vancouver—

F. G. Coburn, T. B. Diplock, W. C. M. Broadbent, W. W. Hilton, F. K. Owen, L. R. Wood, J. S. Pells, E. J. Sager, George Johnston, R. C. Pitman, J. F. C. Kirk, A. D. Newberry, P. E. Curtis, H. T. Dobb, Miss E. L. Johnston, Miss M. McIntyre, Mrs. J. D. H. Bell, Miss E. A. Jackson, Miss D. Reed, Miss W. Atkins, Miss P. M. Welch, Miss G. E. Rowe.—Total office salaries, $33,213.96.

Field Staff—

J. C. Child, Vernon; D. Dodding, Nelson; H. L. Sinclair, Penticton; R. W. Brown, Kelowna; D. B. Holman, Salmon Arm; W. W. Wood, Vernon; F. Barber, Kamloops; A. Berner, Telkwa; I. T. Barnet, Vancouver; E. H. Cope, Abbotsford; R. L. Ramsay, Chilliwack; L. A. LaPierre, Vancouver; T. Godfrey, New Westminster; L. B. Plumbly, Royston; J. D. Patterson, Victoria.—Total field salaries, $30,402.

Note.—In addition to administering the Soldier Settlement Act the staff are engaged in General Land Settlement; investigations for War Veterans' Allowance Committee; Board of Pension Commissioners and Department of Pensions and National Health; appraisals for the Board of Review under the Farmers' Creditors Arrangement Act; Relief Land Settlement; Relief investigations.

LOAN TO ROUMANIA

Mr. McPHEE:

1. What is the total amount owing at this date on the loan made by the government of Canada to Roumania, under order in council P.C. 690, April 2, 1919?

2. Has anything been paid on said loan since it was made?

Mr. RHODES:

1. Principal amount, as consolidated in 1922 into $23,969,720 4 per cent Roumanian bonds due 1968, is outstanding in full.

2. No principal amount has been payable. Interest was paid in full to April 1, 1933. Coupons due October 1, 1933, and April 1 and October 1, 1934, were paid to the extent of twenty-five per cent.

Interest payments from October 1, 1933, to 1936, are being made on a reduced scale under a plan proposed by Roumania and recommended to private investors by the council of foreign bondholders and accepted by the government of Canada.

BRITISH SETTLERS

REPORTED DISTRESS OF IMMIGRANTS UNDER THREE THOUSAND BRITISH FAMILIES SCHEME IN NORTHERN SASKATCHEWAN

On the orders of the day:

Hon. W. A. GORDON (Minister of Immigration): I wish to answer an inquiry that was made yesterday by the hon. member for South Battleford (Mr. Vallance) with respect to certain newspaper reports having to do with a number of settlers under what is known as the three thousand British families scheme.

Mr. VALLANCE: May I correct the minister? These are not newspaper reports; they were reports made to me direct.

Mr. GORDON: Whether they were newspaper reports or not, I will try to answer the question. I have had inquiries made and it would appear that these settlers came to Canada under an empire agreement with the British government about ten years ago. A great number of the settlers have done very well, and some of them not so well.

On January 28 last a delegation of these settlers called at the office of the chief field

supervisor at Prince Albert. There were nine families represented. I do not think it would be fair to name the families, but the spokesman for the delegation stated that the families had been induced to emigrate on promises which were not fulfilled and that the settlers required relief in food and clothing. Then they submitted what was almost an ultimatum, as follows:

(a) The group of settlers must be repatriated to the United Kingdom.

(b) Allowances must be provided by the dominion government to keep the families in reasonable comfort until repatriation was carried out.

(c) The settlers would not operate their farms this spring.

(d) If allowances made by the dominion government were considered insufficient, application would be made to the British government for authority to dispose of stock and equipment purchased out of British funds; and

(e) A reply must be made within a period of two weeks.

A report was immediately submitted by the district superintendent at Saskatoon and on the 9th ultimo the district superintendent was advised that on checking over the records here it was found that these families had come to Canada between 1926 and 1929 and had already acquired Canadian domicile by five years' residence. Therefore we have no machinery that can be put in motion to return these families to Britain.

The attention of the district superintendent was also directed to the fact that the distribution of relief is not in the hands of this department and that these families would be entitled to the same treatment as other residents whether born in Canada or abroad, and further that the settlers would have the same rights as other farmers under the Farmers' Creditors Arrangement Act for a readjustment of indebtedness. One of the settlers, Mr. Fraser, acted as spokesman. He wired to the director on the thirteenth ultimo refusing to accept the department's reply to the delegation's demands and said that they would remain in occupancy of the Prince Albert office until the director would interview them personally.

On Thursday the fourteenth ultimo, the district superintendent at Saskatoon was instructed by long distance telephone to offer to transport the settlers back to their farms and to advise them that if any difficulty was met with in obtaining relief, he, the district superintendent, would take the matter up with the proper authorities. As is well known, the dominion government, acting in conjunction with the government of the province, is making provision for necessitous cases throughout the whole province. The district superintendent was told to advise the delegation that the office was to be closed at the usual closing hour in the evening and they would be removed unless they left the premises.

Reports to hand show that the land settlement officer offered to provide transportation for any who wanted it. Two of the families who lived fourteen and nine miles respectively from Prince Albert had driven to the city in their own automobiles bringing some of the others with them. None of the delegates accepted the offer of transportation. They left the office shortly after three o'clock in the afternoon of the fourteenth without any force or persuasion beyond the advice of the land settlement officer. A press report of the fifteenth ultimo stated that the remnant of the delegation started to walk home distances of from ten to fifteen miles and that there were some women in the group. As there was only one woman who appeared at the land settlement office after the first day and as she and her husband drove their own automobile, the press report is evidently incorrect.

Then the director wrote to the spokesman for the group setting out the position of the department in the matter. It is quite obvious that these people, having resided in Canada as long as they have, while they may have met with difficulties, have assumed an attitude which in my judgment is at least not well considered, and if they find themselves at the moment in need of assistance, there is a proper source, namely the provincial authorities, who undoubtedly can take care of their situation.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Thursday, February 21, consideration in committee of Bill No. 8, to establish an unemployment and social insurance commission, to provide for a national employment service, for insurance against unemployment, for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto—Mr. Bennett—Mr. Morand in the chair.

Sir GEORGE PERLEY: The Prime Minister thought it best to stay at home a few days longer, and he asked me whether I might find it possible to take up this bill in committee and deal with the few remaining clauses that were left the other day. With the consent of the committee I am going to

try my best to do so. I would suggest that the chairman tell us which is the first clause that was not passed.

Mr. MACKENZIE KING: I would suggest to my right hon. friend that he do not confine his good offices to this one bill. Let him take all this social legislation and see if we cannot get it through this week.

Sir GEORGE PERLEY: I am obliged to the right hon. gentleman, but I think he had better wait and see how I get along.

On section 7—Commission to undertake investigation.

Sir GEORGE PERLEY: The other day there was some discussion with regard to the possibility of there being a vacancy in the commission for a very long time without its being filled. I would therefore move that we revert to clause 5 for the purpose of moving an amendment, because some of the representatives of labour claimed that as the clause read, it might be possible to leave a vacancy in the commission for a very long time and this might be very awkward.

Motion agreed to.

On section 5—Duration of office.

Sir GEORGE PERLEY: I move that section 5 be amended by adding thereto the following subsection:

4. Any vacancy arising in the commission shall be filled within a period of six months.

Some hon. MEMBERS: Carried.

Mr. MITCHELL: Why six months? That seems like too long a period in which to make the choice of a commissioner. I see no reason why the government of the day could not choose a man within twenty-eight days. The amendment means in effect that two commissioners can sit for six months and adjudicate on problems coming before the commission without the advice, it may be of the labour representative, who is in ill health or dead, or it may be of the representative of the manufacturers, or it may be of a man of judicial qualification who is the chairman. I see no reason why six months should be necessary, and I would like the government to take into consideration shortening that period to at least twenty-eight days. That is ample time for making a decision in regard to an appointment.

Sir GEORGE PERLEY: The hon. gentleman must not imagine that any government would have the intention of taking the full six months, but there are times of the year when for various reasons it is difficult to make these arrangements. In some parts of the year it is easy, but at other times there is a good deal of difficulty because of the holiday season and one thing or another. I think my hon. friend may rely on any government, even if it be one of his own way of thinking, to make a decision without taking the full six months.

Mr. GARLAND (Bow River): I feel quite sympathetic toward the position taken just now by the acting Prime Minister, but I still think six months is too long a period. I agree with him that twenty-eight days might be hardly enough, and I would suggest that three months, as the period during which the appointment would be expected to take place, would be ample, taking into consideration almost all factors that could be anticipated. I think three months would be fair under the circumstances.

Sir GEORGE PERLEY: I am within the good sense of the committee on this subject. To my mind it does not make a great deal of difference, because such an officer would be very necessary and I think any government would make this appointment as soon as possible. But I want to submit to my hon. friends that there is a time of the year when for two months or more in the holiday season very few people and sometimes very few members of the government are here. I will compromise on four months. I have had a good deal of experience of holidays in that connection. When ministers are away attending to their duties in various parts of the country, it is sometimes difficult to decide on a first class man to fill one of these important positions.

Mr. MITCHELL: Might I make this suggestion, which I think is practical? Reducing the time would at least shorten the agony for the government. I am not unmindful of the large numbers who would probably offer themselves for a position of this description, and I think from a purely practical point of view a decision made quickly would probably be just as sound as if the government waited a full six months, or four, as the case might be. The number of men in the dominion who in my judgment could ably fill this position is not large, and in the interest of smooth administration I suggest that the shortest period of time should be stipulated in which a vacancy occurring in the commission should be filled. We have heard recently in the house of the office of a deputy minister being vacant for four or five years; and such a thing might occur in connection with this commission. We of the labour movement are anxious that when

these vacancies occur, particularly if it is a labour vacancy, it should be filled at the earliest possible moment.

Sir GEORGE PERLEY: This is being put in entirely to please the labour element, and we have no intention of holding these offices up at all. But I have explained to the hon. gentleman the reason why at certain times it is very difficult to select the proper man for these positions. I cannot go further than four months.

Amendment agreed to.

Section as amended agreed to.

On section 7—Commission to undertake investigations.

Sir GEORGE PERLEY: Have hon. gentlemen any remarks to make about clause 7? This is the clause which provides that the commission may take into consideration any classes or parts of classes which are not covered by the act, and make recommendations to the governor in council regarding them The governor in council has no power to alter the act, but if the proposals from the commission were considered satisfactory no doubt they would be passed on to parliament.

Mr. BRADETTE: When I spoke previously on this matter I believe I was misunderstood by the Prime Minister. I spoke of people being put under the scheme who after paying all their life would never receive a cent of compensation for the very good reason that they had permanent employment. We see in this bill the excepted employments, which include civil servants, people working in financial institutions and so on. These excepted employments are listed on pages 31 and 32. I suppose those people in sheltered employments are not to come under the scheme for the reason that they are unlikely to get any benefit from it. But we have the very same situation in industry to-day. When I spoke of gold-mining the other day I had in mind to include all mining in Canada. I was also thinking of people who work all their lives in other permanent industries. I mentioned that in our section we have mines whose lives the geological report indicates have been extended to sixty or seventy-five years, and past experience indicates that those mines will be working every day of that life; yet the miners and mine owners will be paying for unemployment insurance during all that time, the miners never having a chance to receive any benefit. I was always in favour of contributory unemployment insurance, but when I see such an anomaly as that I am inclined to believe that I was absolutely wrong. I must make the statement very clearly that you are going to have thousands of miners and workers in permanent industries who will never receive a cent of compensation but will be paying under this scheme every day of their life. The committee should be fully seized of that situation. I mentioned the Hollinger mine which has been working consecutively and steadily for the last twenty-two years and no doubt the same thing will apply for the next twenty-two. Those mine owners and miners will be contributing for the full extent of those working years without a chance of ever receiving any return. Anyone who knows anything about insurance is aware that if for instance I have a life insurance policy, some day my beneficiaries if not myself will get some benefit from it. If I have an accident insurance policy and after so many years I have had no accident the premium is graded down. The same principle should apply to these working men, absolutely working men, not in sheltered employment such as the civil service. Could the committee visualize civil servants coming under this scheme? No, for the simple reason that they are expected to work every working day. I must repeat, we have the same situation in some industries, and outstandingly in the mining industry; people who will be working every day and will receive no benefit from unemployment insurance. Is that fair? I think it is not. I brought this matter up the other day, I think that my proposal is fair, namely, that at the end of five years if miners or industrial workers have been working steadily, there should be a grading down of premium by twenty per cent a year to a minimum of five cents a week, both for miners and also the mine and industry owners. That should appeal to this committee, because the scheme as it is at present does an injustice to people who may be paying every day of their lives and never receive a cent of compensation. The Prime Minister said the other day that he had no sympathy with the wealthy people. Everyone knows that my sympathy is with that point of view. But this is going to hit the working man particularly. Surely it should be possible to have a graded scale in this respect. I am making this appeal very sincerely. I hold no brief for the gold mining industry, except that it happens that most of the mines are in my riding, and everyone realizes the stabilizing effect that the gold mining industry has had during the present time of depression. The Prime Minister said the other day that he had great sympathy for the coal miners in Alberta, in the riding represented by the hon. member for Bow

River (Mr. Garland). But the committee should be seized of this fact; you may have some highly seasonal mining industries and other industries that pay higher dividends than industries working steadily all the year. I want this committee to realize the injustice that would be done under this scheme, which in general is good for the working people but in its present form is going to hurt some by taxing them although they have no chance whatever of receiving any benefit under it. There are hundreds of thousands coming within the excepted employments, for the simple reason that they are sheltered employments; these people are assured of work as long as they live. This applies to civil servants and men in banking and financial institutions and other occupations. On the other hand highly seasonal employments are excepted and farmers do not come under the scheme. Surely every hon. member grasps the point I have brought before the committee, but I must repeat it to make it very clear, that a large number of men will be working all their life and contributing to this fund although having no chance whatsoever of deriving any benefit from it. It would be different if there were an old age pension and accident benefits, but there is no benefit whatsoever to men who will be paying twenty-five cents per week all the time, which is a large amount to take from their wages. I think the amendment is desirable, and that the acting Prime Minister is fully seized of the situation, as he was closely in touch with industry and must be very familiar with the point I have brought before the committee.

Mr. MITCHELL: I profoundly disagree with the argument of the last speaker. For fifteen years I have carried life insurance, as soon as I got married I took out a policy. Under that one has to die to win. I have insured my house, and the only way I can derive benefit from it is by the house burning down, but I do not want that to happen. As a working man I want insurance against unemployment, not with the end in view of getting out of work. You see the point. I have had some experience amongst working men of this country, and I have seen profound changes in industrial conditions. There is no guarantee that men working in the gold mines will continue to have steady employment for the rest of their lives. I remember before the coming of the motor car the men on the old radial railways thought they had a job for life, but now most of them have gone into new vocations or are on relief. I could quote many other industries. There are the stone cutters who, with the development of machinery, have experienced a drop in employment amounting to seventy-five per cent. They have had to look for other work, and I am sure that if legislation of this description had been in operation the effects of unemployment would have been softened. That same argument applies to the miners. I want to say very frankly that I have not changed the opinion I expressed in the second speech I made in this house, that we should have carried the cost of this depression out of income; we should have paid for relief by a tax on the incomes of the people of this country. We should have been good Scotsmen and paid as we went. I believe that if many of the municipalities that find themselves in difficulty at the moment had adopted a similar policy, with the provincial governments adjusting the avenues of taxation to permit them to meet the situation as it has existed for the last four or five years, they would have been in a better financial position than the dominion The question raised by the last hon. member who spoke was dealt with by the British government in 1924, I think, and this is what they say about it:

> In the hope that unemployment insurance might serve as an incentive towards greater stability of employment, the act granted an employer a refund of one-third of his contributions for each worker that he had kept in steady employment throughout the year. Similarly, a person who contributed not less than 500 weeks was entitled, upon reaching the age of 60, to a refund of the excess of his total contributions over his total benefits together with compound interest at 2½ per cent. Since these features did little to stabilize employment and were cumbersome to administer, they were repealed in 1920 and 1924, respectively.

That policy was set in motion by the British government. I think we can safely say they have the best unemployment insurance act in the world to-day, and they found that policy impractical.

As one who may be working at a trade within the next twelve months I want to say that I would raise no objection to chipping in twenty-five cents a week to help the poor chap who has no job. I should be thankful that I was working and able to do so; that is the attitude I have always adopted. These men in the gold mines, who are sitting on top of the world at the moment—

Mr. BRADETTE: I did not speak of the gold mines in particular; I mentioned industry in general.

Mr. MITCHELL: I am not being critical; I am just discussing the matter from the practical aspect. Since these chaps in the gold

mines are sitting on top of the world at the moment I think they should be willing and anxious to make their contribution. I quite agree with the hon. member that there should be no exemptions; I think the employees of banks, insurance companies and other financial institutions should come under the provisions of this act, so that they might make their contribution towards its cost. I believe that in this country, with its enormous seasonal unemployment, we will find it necessary to take that action before the act has been in operation for very long. I think we should take the long view in regard to these men and women who think they have jobs for life; I believe they should come under the scheme so that if they should get out of work they will be able to take advantage of it.

Mr. BRADETTE: I could not have made myself very clear or the hon. member for East Hamilton would not have spoken in this way. He made a comparison with life insurance. If he pays for life insurance all his days he may not get the benefit himself, but his family will get the benefit of it, so I think his comparison is very weak.

Mr. MITCHELL: They will get the benefit of this.

Mr. BRADETTE: No. If a man works and contributes all his life or for ten, twenty or forty years he will not get a cent of benefit. Now I will ask the hon. member for East Hamilton if he is in favour of these excepted employees, these civil servants or employees of financial institutions, and others.

Mr. MITCHELL: I said I was not in favour of exempting anybody.

Mr. BRADETTE: But it is in the act. If we are going to exempt all these permanent employees we are going to penalize the ordinary workingmen. I did not mention workers in gold mines in particular; I was referring to industry in general. That includes gold mining, of course, but the hon. member cannot get away from the fact that people will get no benefit from this measure if they work and contribute to it over a long period of years. If there were no exempted employments I would say all right. The gold miners, the owners and workingmen of northern Ontario are willing to pay into this scheme, but they believe everyone should pay into it. If a man works for forty years and longer, and makes his contributions to this fund, he will pay in all his life without obtaining any benefit at all. I think if the contribution were gradually lessened until it became five cents per week we would be following the principle of insurance on which this bill is said to be founded. I mentioned the people who are permanently employed; I believe they should make their contributions. Otherwise civil servants and men working in banks will not pay a cent towards the cost of this scheme. Is that fair?

I know something of the labour situation; I know something of the lives of the workingmen. I know that they are just as loyal as any other class of society; I think they are willing to pay their share of the cost of this scheme, but why should some people in selected employments not pay a dollar while the man who works in the mud and the dust must pay for the rest of his life without getting a cent of benefit unless he loses his job? Under the present system we will have the people in the excepted employments, those working for municipal, provincial and federal governments, those in financial institutions and others, who will never pay a dollar towards this scheme. On the other hand the people engaged in industry, who are willing and ready to pay something towards this insurance, may be required to keep on paying for many years without receiving any benefit at all. I am not speaking for any particular section of the country; I am speaking for the workingmen as a whole, the men who, under certain circumstances, will have no chance whatever of benefiting under this scheme. One of the principles of direct taxation is that those who are taxed should obtain some benefit from such taxation, but under this scheme there will be thousands and tens of thousands of people who will contribute for twenty, thirty or forty years but who will never get a single dollar of benefit, and I say that is not fair. I again urge that the bill be amended as I have suggested.

Mr. GARLAND (Bow River): I have a good deal of sympathy with the views expressed by the hon. gentleman who has just taken his seat. We have been told that this bill is based upon the insurance principle. Obviously the smiling and good natured acting Prime Minister realizes that all insurance is sold on the basis of risk. Uniformity is not accepted as a principle of insurance at all. This whole bill is based upon the assumption that unemployment will be uniform throughout the respective industries that come within its scope. That of course is not and will not be the case.

In support of that contention may I submit to the acting Prime Minister a case which came to my attention recently, of an industry in the city of Toronto. At the present time it is probably down to the bedrock level of

employment, that is, in keeping with the continued activity of the industry. It employs thirty men. I am informed by the proprietor that the probability is that not more than two of these men at the most will become unemployed; if it is necessary to let go more than two men it will mean closing down the plant entirely, but with the continued stability of conditions for which the proprietor hopes he does not think more than two of these men will lose their employment. It is pointed out that before those two would be able to take advantage of the privileges of this bill the employer, the employees and the government will have contributed for forty weeks, a total of $24 per employee. Multiply that by thirty and you have the sum of $720. If two of these men become unemployed they draw the maximum benefit for seventy-eight days or thirteen weeks, a total of $156. That is what they will draw out as their share of the fund and, so far as that industry is concerned, that will leave in the fund a balance of $564 for which no adequate return is made to that particular industry. But that $564 is not all, because during the period of thirteen weeks, while these two unemployed men draw their benefits, the other twenty-eight employees, the owner and the government continue to contribute, so that when these men who are out of work have exhausted their benefits under the scheme and gone back on relief, the total in the fund in respect of this industry will amount to $782. Obviously that is going to become quite a common case in those industries that are not so subject to unemployment as some other industries may be.

Sir GEORGE PERLEY: May I ask the hon. gentleman how many men were employed in that industry in prosperous times?

Mr. GARLAND (Bow River): I have not that exact figure before me.

Sir GEORGE PERLEY: The hon. gentleman would have to get that information in order to know how many men not now working would have been under the scheme if it had been in force.

Mr. GARLAND (Bow River): But the difficulty is that you are starting now and you have to consider this bill from the present time on, not from what has taken place in the past. The whole picture is altered now, and you could not draw any conclusions even if you secured the information suggested by my right hon. friend. I suggest to the committee that this point is made very clear by Paul Douglas and Aaron Director in their book The Problem of Unemployment, published by Macmillan, at page 418. They say that provided the contributory principle is accepted—but I do not accept it. I think in view of the present low average wage level in Canada this measure, so far as the employee is concerned, is unjust. The position of those who advocate a contributory system for the employee is untenable. They point out that if the measure is accepted there should be no quarrel with the fact that under an insurance system the regularly employed workers and their employers must pay for the irregularly employed workers, provided the risk of unemployment is uniform. Yes, provided it is uniform, but it is a well known fact that this latter condition is not fulfilled.

An investigation made in 1926 in Great Britain revealed that over a period of five years only fifty-two per cent of the insured who had paid contributions had at any time drawn benefits. This would argue for a differentiation of the contribution rates among workers, which in practice is difficult to work out. A state subsidy makes up in part the disadvantages to the steadily employed workers, and the fact that the forty-eight per cent of the workers had to pay for the extended benefit as well lends support to the argument that the state's share should have been increased during these years.

I submit that if there is to be a measure of justice done to industry, such as has been mentioned by the hon. member for North Timiskaming and other hon. members, the government's share in the scheme should be steeply increased. I further submit that if the contributory principle is to be insisted upon that there should be a sliding scale of contributions to keep step with the incidence or likelihood of incidence of unemployment in the industry. This point is dealt with by Paul H. Douglas and Aaron Director in the same work at page 492, when they point out that the premium rate as between industries and firms should, as we have urged, be varied according to the relative amount of unemployment characterizing them. In the event of the government refusing to accept the suggestion of the hon. member for North Timiskaming, and refusing to accept my suggestion for non-contributory insurance so far as the employees are concerned, then I say the least they can do is to see to it that they step up their grants, and bring under the operation of the act all employed persons in the country. Let the cost be spread out over the whole lot of them, so as to make the burden less. But to press the burden down upon those industries which are most likely to suffer from unemployment is an obvious injustice not only to the industry itself but to those engaged in it, and also an obvious injury to the whole principle supposed to be underlying the bill.

For these reasons I submit the points raised by the hon. member for North Timiskaming are well taken, and if the insurance principle is to apply then of course a pro rata contributory—as they call it—sliding scale, or graduated payments, would be the only fair basis for the definite insurance principle as adhered to. In the earlier part of his remarks the hon. member for North Timiskaming indicated something which pleased me, namely that he was in favour of the contributory principle, but having examined the bill more closely, and having considered its effect upon certain industries in the country, he felt that in the first instance he had not been well advised. I was glad to hear him say that. After examining the bill I have definitely come to that conclusion. Until I had read the bill I was much in the same position as he was. I now feel however that this bill will work an injustice, and that it will be of little benefit to anybody.

Mr. MARCIL: May I repeat what I said on the second reading of the bill? I observed at that time that the measure while excellent in some respects does not go far enough. In it there is no consideration for certain classes. I have had the honour for many years to represent the same constituency, and for the last month I have been endeavouring to find one person in my constituency who would benefit by this bill. I find they all belong to the exempted classes. The hon. member for North Timiskaming complains that the men who are going to work for thirty or forty years will make the greatest payments. I know some men who will not work at all but will have to pay just the same. Those men must pay part of the taxation of the country, and as the measure is to be maintained by the government, jointly with employers and employees, they must pay their share. In my constituency and no doubt in many others there are agriculturists, horticulturists, men engaged in forestry, fishermen, lumbermen, loggers, hunters, trappers and people engaged in transportation by water and by air, who will have to make contributions but will not reap the benefits. In a maritime constituency the people either fish, carry on lumbering or are connected with navigation. Yet these people are debarred. Why should not unemployment insurance be extended to all classes, and more especially to those who are unemployable?

Apparently the intention of the Prime Minister, if I understood correctly his messages over the radio, was to give relief to the unemployed. That promise was a very worthy one, but was long overdue. The measure before us gives no relief whatever to the unemployed. Its provisions are for those who are employed continually for a certain length of time. If at the end of that time they have no work, or if no work can be found for them by the commission, then they will be allowed a certain amount per week. That is all right so far as the employed are concerned, but what about those who are not employed? Why should the taxpayers —and this includes the farmers, the lumbermen, and the fishermen—be completely debarred, although they are called upon to pay their share of the taxes for the maintenance of the scheme? That is the unfortunate and weak part of the whole system, so far as I can see.

Sir GEORGE PERLEY: This bill has not for its purpose the relief of the unemployed. It has for its purpose the establishment of a fund which will be effective when a future period of unemployment comes upon us. To leave politics out of the matter, if we can, may I say that this is legislation which should have been passed in the days of plenty. Had that been done we would by this time have had a large fund available, and when hard times came along we would have had money which could have been used for the purpose of relieving the situation. I repeat that this bill is not designed to relieve unemployment.

The hon. member for Bonaventure talks about the farmers and fishermen. I would remind him that the measure refers only to those who are employed by others. Either fortunately or unfortunately for themselves, the farmers are their own masters and so are most of the fishermen. What the hon. member has said may be true, but undoubtedly at some later point there will be a measure to deal with the unemployed. May I say to the hon. member for North Timiskaming that my experience tells me there is no class of workers which can be sure of employment all the time. There is no such thing; it does not exist. He has spoken about gold mines which have been operating for years, but I would remind him that there are other gold mines which are not operating at all. Why should not the men who work without interruption in the gold mines be called upon to provide something for those who are connected with the gold mines which are not now operating? All the mines are not Lake Shores or Nipissings. However, the hon. member for East

Hamilton covered the ground so thoroughly that I do not feel called upon to say anything further.

Mr. STITT (Nelson): I find myself very much in agreement with the hon. member for East Hamilton. The hon. member for North Timiskaming states that gold miners—

Mr. BRADETTE: I wish to make a correction. I did not speak about gold miners particularly; I mentioned permanent industries in general.

Mr. STITT (Nelson): Well, I shall talk about the mining industry for a little while, anyway. In my constituency there are many large mines; in fact one of the largest in Canada, operated by the Hudson Bay Mining and Smelting Company, is situated there. As soon as this bill was introduced I secured several copies and sent them not only to the miners' welfare commission, which represents the men, but also to the companies, the general managers and the superintendents of the mines. In the first place I felt it was my duty to do so, and in the second place I thought by so doing I would get their slant on the bill. Several weeks have elapsed and I have not yet received one objection to the bill. The mining companies and the miners in Manitoba are willing to accept it, and if they are willing I can see no reason why there should be objections from Ontario, the province of Quebec or in fact any other province. In Manitoba we have a two per cent wage tax which all the miners are now paying, and if they are willing to pay towards this insurance scheme in addition to the two per cent they are now paying I should think the other provinces have very little kick coming. After all, Mr. Chairman, we are our brother's keeper; if we get away from that principle humanity will not survive very long. If I were going down the mines, or working in them as miners do for seven days in the week, even if I were sheltered by continued employment I should be very happy to make this contribution. But outside of that, what miner going down a mine knows the minute he may be carried out? In such event he would be cared for under the compensation legislation for a certain period of time, but that would not go on forever. That is where this legislation would step in. Then, he may lose his job. On top of that we know there is a peaceful but continuous penetration of industry by science. It has affected mining as much as any other industry with which I am familiar. I went down in mines myself and worked in them for several years. For that reason I believe I may say I am familiar with the methods employed. When I go underground now, however, and notice the way they do things, I marvel. One man produces as much ore a day and does as much work as ten or twelve men used to do. I cannot see that the hon. member's argument carries much weight so far as the mining industry is concerned, and that is the only industry I am referring to at the present time. As I stated before, I have received no objections to the bill—nothing but commendation, and I congratulate the government upon having brought it in.

Mr. MITCHELL: Do I understand that the board has power to include within the provisions of the act those excepted in part III?

Sir GEORGE PERLEY: They have power to investigate and make proposals to the governor in council. In fact, they are authorized and practically asked to do so under this act. If these proposals are approved, naturally it is expected that the government will be prepared to make suggestions to parliament to amend the act accordingly.

Section 7 agreed to.

On section 11—Regional divisions: central offices.

Sir GEORGE PERLEY: When section 11 was under consideration certain questions were asked regarding the probable cost, and the Prime Minister at that time promised to have an inquiry made. I have here a memorandum, which I will read, prepared by the Civil Service Commission in cooperation with the Department of Labour:

Memorandum on the costs of the existing employment service of Canada and the estimated expenditures for national employment service and unemployment insurance during the fiscal year 1935-36.

Number of existing public employment offices now operated by provincial governments	75
Staff employed in foregoing	297
Federal government staff of employment service of Canada	27
Total dominion and provincial staffs	324

Cost of employment offices borne by provincial governments	$ 325,000
Cost of employment offices borne by dominion government	150,000
Cost of dominion administration	58,000
Total cost of present system	$ 533,000

Estimated number of employment offices required under the Employment and Social Insurance Act:—	
Permanent offices	90
Part-time offices	200
Total number of offices	290
Estimated number of staff required for:	
90 Permanent offices	2,500
200 Part-time offices	400
6 Regional offices	500
Headquarters office	400
Total staff	3,800
Estimated cost of staff	$5,700,000
Estimated cost of other charges involved (including premises, office equipment, supplies, etc.)	1,000,000
Total cost of staff	$6,700,000
Amount probably required for the portion of the present fiscal year during which the act will be in operation	$5,000,000

That was the information asked for when this section was under consideration before, and I have brought it down in response to the request then made.

Mr. NEILL: An amendment was proposed by myself, and the Prime Minister promised to consider it and give his opinion on it. I proposed a new subsection 5 dealing with blacklists. It will be found at page 947 of Hansard.

Sir GEORGE PERLEY: I am sorry I was not here the day it was discussed in committee, but the answer which the Prime Minister gave on that occasion appears to me to be absolutely conclusive. I regret that I cannot accept the amendment suggested by the hon. gentleman.

Mr. NEILL: At page 950, in the second column, in the second last paragraph, the Prime Minister said that there was no reason why this section should not stand in order that the amendment I proposed should be considered. That at least I am entitled to have done. It seems that no one knows anything about the matter.

Sir GEORGE PERLEY: According to the notes and papers connected with this matter, which have been handed to me, the question was considered and it was decided that the amendment could not be accepted.

Mr. NEILL: The responsibility is the government's.

Section agreed to.

[Sir George Perley.]

New section 13 agreed to.

On section 16—Persons entitled to certificates of exemption.

Sir GEORGE PERLEY: It has been explained to the Prime Minister and those of us who have been considering this matter that in some parts of the country, in the prairies for instance, the seasonal periods are pretty short, and we have been asked to increase the number of weeks in order that when the man is working it will not be so difficult for him to come within the exemption of this section. I move that 16 be amended by deleting from paragraph (b) of subsection 1 thereof the expression "twenty-two" in line eighteen and substituting therefor the expression 'twenty-four."

Mr. NEILL: If I understand it, you are extending the period by two weeks.

Sir GEORGE PERLEY: Yes.

Amendment agreed to.

Section as amended agreed to.

On section 20—Statutory conditions for receipt of unemployment benefit.

Mr. NEILL: Has the Acting Prime Minister no statement to make in regard to this section? This is a very important provision. The language which the Prime Minister used was that it would have to be dealt with very carefully inasmuch as it involves the question of mining, to which the attention of the committee had been directed. Upon the interpretation of this section will depend the question whether a large body of men, coal miners, for instance, and possibly others in the same situation will or will not come within the act. I asked the Prime Minister whether coal miners such as I described, and under the conditions I indicated, would be eligible to pay and he said yes. Later on, when we came to dig into it, I asked whether under the same conditions they would be eligible to get money out and he said no. Therefore they would seem to be eligible to pay but not to receive, and this is certainly an unthinkable situation. It works out like this: the coal miners in the district which I represent are not working for one month or two or six months and then laid off. They are, so to speak, employed permanently, but they are paid just when there is a demand for coal. Three hundred men may work to-day and they may not work to-morrow. The result is that they are continuously employed in the sense that they are there, but they do not average more than three days a week. They may work two days one week and four days the next, but

by and large one might figure that they work three days a week. Apparently under this legislation they are liable to come under its provisions and pay, but when the question arises of their getting anything out, they are not eligible because the act requires a man to be nine days idle before he can apply. They are never nine days continuously idle, yet they work perhaps less than twenty-six weeks a year. When I mentioned the situation to the Prime Minister, my attention was called to subsection 4 of section 20 which reads:

> Any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment, and any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period of unemployment.

That means to say that I can take the three days that I am idle this week and add it on to the three days I am idle next week or some other week within six weeks. But what is the result then? I have achieved only six days' continuous idleness and that will not entitle me to unemployment benefit. What is needed is an extension of that clause so that a man could keep on adding those three days of idleness until he reached a period of two or three months when he could legitimately apply for unemployment benefit. The responsibility belongs to the government; if they want to pass the subclause as it reads, certainly they will have to explain it here and I shall have to explain the matter when I get home. Are the miners under this or are they not, because I received those two distinct answers from the Prime Minister? At one stage he said: Yes, they are liable to come under it. Later he said: No, they will not get any money under it if they are not eligible under the act. But they are not eligible because they cannot show nine days' continuous idleness. On the other hand, under the first part of the legislation they are certainly eligible to pay.

Sir GEORGE PERLEY: As I understand the matter, if a man is idle three days within a week, and then three days some other week within six weeks, that makes six days of unemployment and entitles him to the benefit of the legislation.

Mr. NEILL: No; he needs to have nine continuous days of idleness before he can collect.

Sir GEORGE PERLEY: What clause is that?

Mr. NEILL: That is the regular clause. This is what the Prime Minister said as reported on page 979 of Hansard:

> Under those circumstances I should like to look into that subsection a little farther, because if there is a period as long as a year in which men are employed only half a week, obviously there should be some readjustment of the provisions of the subsection.

I cannot quote the section at the moment, but I am in the judgment of the committee that it says that a man must have nine continuous days of unemployment.

Mr. GARLAND (Bow River): Where is that?

Mr. NEILL: I think it is under the schedules. I am quite certain that it says nine continuous days.

Mr. GARLAND (Bow River): This subclause does not say that.

Mr. NEILL: No. An hon. member suggests that I look at page 36 of the bill. On page 36, part II of the third schedule reads:

> No person shall receive benefit for any fraction of a day, nor for the first nine days of any period of continuous unemployment.

How can a man who works three days a week every week become entitled to unemployment benefit? I do not know. I again quote the Prime Minister when he said:

> Obviously there should be some readjustment of the provisions of the subsection.

I do not think we should pass this subclause until that promise of readjustment has been fulfilled.

Mr. GARLAND (Bow River): I find myself in complete agreement with the hon. member for Comox-Alberni. There is no doubt whatever that section I of part II of the third schedule reads:

> No person shall receive benefit for any fraction of a day, nor for the first nine days of any period of continuous unemployment.

That is obviously not in conformity with subclause 4 of clause 20 on page 11 which reads:

> Any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment, and any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period of unemployment, and the expressions "continuously unemployed" and "continuous period of unemployment" shall be construed accordingly.

There seems to be an anomaly in the clauses; at least I cannot understand them as they are written.

Sir GEORGE PERLEY: So far as I understand the matter, it is this: Three days a week is taken as continuous unemployment.

Surely in six weeks a man may accumulate nine days and then he becomes entitled under this bill.

Mr. NEILL: But under subclause 4 he can take only two continuous periods within six weeks: one week to begin with of three days idleness and then another similar period within the six weeks, but the total is only six days.

Sir GEORGE PERLEY: Suppose in the six weeks he works only four days a week; could he not accumulate twelve days?

Mr. NEILL: No; only eight days. He can add only the days of unemployment in one week on to those in another week within six weeks.

Sir GEORGE PERLEY: I do not read the subclause in that way at all. This is practically the same as the British act except that they require a period of ten instead of six weeks. But the way we have it is better. By the second statutory condition the receipt of benefits depends on continuous unemployment. Literally construed this would be a severe condition and would tend to discourage an unemployed person from seeking work for short periods or for the odd day. This tendency would not be for the benefit of the insurance fund or of insured persons. The rule in this subsection is that any three days of unemployment within a period of six days shall be treated as continuous and that any two such periods separated by not more than six weeks shall be treated as one. In the British acts, "continuously unemployed" has always been subject to statutory definition, and since 1923, the definition has been as above except that the "bridge" between two periods has been changed. They changed this "bridge" several times in England. Prior to 1923 the "bridge" was six weeks. In that year it was made three weeks; in 1924, six weeks, and in 1927, against the recommendation of the Blanesburgh committee that no change should be made, the "bridge" was increased to ten weeks. The process of change and extension in the British scheme may have been to some extent associated with the exigencies of the circumstances leading to the increasing departure of that scheme from an insurance basis. The fact that the "bridge" was six weeks prior to 1923; that it was restored to six weeks in 1924, and that the Blanesburgh committee recommended in 1927 that it should remain at six weeks, is of more than passing significance. For that reason the six weeks' period has been adopted in our case.

[Sir George Perley.]

Mr. NEILL: What is the right hon. member quoting from?

Sir GEORGE PERLEY: This is a memorandum which I have had prepared. I am not quoting from anything; I had it put in this way so that I might be able to inform the committee more accurately than I could from memory. The fact is that a great many short periods of unemployment may be linked up for benefit purposes; as I understand the matter, according to this clause, eight periods of three days each, six weeks apart might be linked up to cover practically the whole year. I think the hon. gentleman is mistaken when he considers this clause to be at variance with the other part of the bill. As I understand the matter, any period of three days within six weeks would count as part of the continuous period.

Mr. NEILL: I would be only too pleased if it were proved that I was wrong, but unfortunately I have a great respect for the legal acumen of the Prime Minister and I can see from reading Hansard how very definite he was. Let me quote three statements by him, all dealing with this subject, as reported on page 979 of Hansard I have already quoted one sentence. He said:

> I thought we should deal with it very carefully, because it deals also with the question of mining, to which the attention of the committee was directed by another hon. member.

Then the hon. member for Swift Current raised the exact question that I have been raising and the Prime Minister said:

> The paragraph reads: "any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment."

Then the Prime Minister goes on to say:

> That is, after six days of the week have passed and a man has been three days unemployed, whether those days have been consecutive or not they shall be regarded as three unemployed days. That is one period.

Then the paragraph states:

> And any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period of unemployment.

And the Prime Minister says:

> That means that if within six weeks we have this event happening twice, you have six continuous days of unemployment which go to make up the nine. That is the position.

The nine I have been talking about which he must have as a sine qua non for having benefit. Then the hon. member for Swift

Current (Mr. Bothwell) asked "He has credit for the six days?" and Mr. Bennett replied, "Yes."

Then again Mr. Bennett's attention was called to men in the railway shops, and he said:

> Under those circumstances I should like to look into that subsection a little further, because if there is a period as long as a year in which men are employed only half a week, obviously there should be some readjustment of the provisions of the subsection.

Then other members took up the point again, the hon. member for Macleod (Mr. Coote) brought up identically the same question about men in coal mines, and the Prime Minister said:

> I would suggest that subsection 4 be allowed to stand.

Mr. Coote made a suggestion that it be redrafted, and Mr. Bennett said:

> I have noted on my bill the hon. member's suggestion, and we shall deal with it.

There is a very definite statement by a man whose opinion we must all respect. Now the acting leader of the government has produced a statement which, as far as I could catch it —and it is my disability that I did not catch it entirely—was presumably prepared by some of his officials. I earnestly suggest that he allow this subsection to stand until we can read the argument in Hansard, and then we shall be able to consider it more fully. I am not satisfied to let it pass without a more definite statement as to whether these men are required to pay, and if they are, whether they are eligible to be paid.

Sir GEORGE PERLEY: Do I understand that what is bothering the hon. gentleman is that if they have a third period of three days perhaps it would not count?

Mr. NEILL: Yes, that is it. And that is exactly what the Prime Minister said.

Sir GEORGE PERLEY: In order to make that plain, although I do not think there is any difficulty about it, would it do to make the fourth line read "and any two 'or more' such continuous periods"? I see no difficulty about that if the hon. gentleman wishes it. If that will satisfy his criticism I shall make inquiry.

Mr. GARLAND (Bow River): May I ask the acting Prime Minister if he has a copy of the British act before him?

Sir GEORGE PERLEY: No.

Mr. GARLAND (Bow River): I think I heard him state that subsection 4 of section 20 was taken from the British act.

Sir GEORGE PERLEY: I said it was practically what is in the British act.

Mr. GARLAND (Bow River): That may have given rise to the difficulty because the British act provides for only six days of waiting before benefits become payable, whereas ours calls for nine. They may have copied exactly the provisions of the British bill without reference to the difference in the number of waiting days.

Mr. COOTE: I wish to draw attention to the case of the miners in my own constituency. Speaking in a general way I think they are the only class who will be affected to any exent by this bill. I asked the Prime Minister, when this section was being discussed before, whether these coal miners would come under the provisions, because of the very uncertain conditions of their employment, and it was after that that he said again he would like the subsection to stand. I should like to place on Hansard for the benefit of the committee and the minister in charge of the bill figures which I secured just yesterday showing the days that some of the mines in my constituency worked last year. I notice one mine seems to have worked practically 183 days, that is the average number worked by the employees. For another mine the number is 180, another 170 and in one case as low as 140.

For my own part I would like it to be made very clear that if the miners are to contribute to the unemployment insurance fund they will be able under these circumstances to get insurance; that is that this particular subsection will not in any way prevent them. I wish to be assured that the act is drafted in such a way that they can get their benefits under it.

Sir GEORGE PERLEY: I am quite ready to let this section stand for further consideration. Would the addition of the words "or more" answer the purpose of the hon. member for Comox-Alberni (Mr. Neill)?

Mr. NEILL: No, I do not think that would help, because then you would be up against the words later on as to the period of six weeks. You want this principle to apply running over months. In the next line or two it says "separated by a period of not more than six weeks." The section needs to be redrafted to cover a period extending into months.

Sir GEORGE PERLEY: Does the hon. gentleman argue that even if a man did not work six days out of the six weeks he ought to come under this bill?

Mr. NEILL: No, what I am suggesting is that if he comes under the bill and only works on an average say three days a week for week after week, under the present wording he is not eligible to get any unemployment benefit. But if he only works twenty-six weeks in the year he should get unemployment benefit. I seek to have the section drawn so that the periods of unemployment should be cumulative beyond that six weeks, cumulative for such period as would render him eligible for unemployment benefit eventually. Let it stand.

Mr. COOTE: I think if the section is allowed to stand and the officials in the department have this placed before them they could probably draft the section in a way to meet the necessities of the situation existing in those mining areas.

Sir GEORGE PERLEY: I think the hon. gentleman is unduly concerned about this matter; conditions in the coal mining industry are somewhat similar and the miners there come under this act. As I understand it all that the hon. member for Comox-Alberni wants is to make sure that the third and other periods of three days shall be included. He says that he does not think this section covers more than two of the three-day periods within six weeks. I think he is mistaken about that. It seems to me that the wording "any two or more such continuous periods" would cover all he wants.

Section stands.

On section 22—Period of disallowance of benefit in certain cases.

Sir GEORGE PERLEY The last part of subsection (a) of this section says:

Where a claim for benefit by an insured contributor is disallowed by the court of referees or the umpire, on the ground—

(a) that the third statutory condition is not fulfilled in his case by reason of his failure to prove that he is unable to obtain suitable employment;

The other day it was argued, and it is considered by the Prime Minister that perhaps this is an unreasonable burden to put upon a man, and that if he is capable of work and willing to work and unable to find suitable employment he should not be compelled to prove such inability. Therefore the proposal is that this subsection shall be so changed that the third condition will not be imposed. So I move:

[Sir George Perley.]

That section 22 be amended by deleting from paragraph (a) thereof all the words following the words "his case" in line 19.

Amendment agreed to.

Section as amended agreed to.

On section 20—Statutory conditions for receipt of unemployment benefit.

Mr. GARLAND (Bow River): Now that subsection (a) of section 22 is amended by striking out the provision that it be incumbent upon an applicant to prove that he was unable to obtain suitable employment, would it not be well to amend subsection 3 of section 20 in that regard also. It reads:

If an insured contributor proves in the prescribed manner that he was during any period, falling within the two years specified in the first statutory condition, incapacitated for work....

In other words, the element of proof is incumbent upon him there as it was previously in the other case. I think that is a burden that we should eliminate in this and other sections also, especially under present conditions.

Sir GEORGE PERLEY: If the hon. gentleman reads them he will find that they are two very different things, one easy to determine, the other very difficult.

Section agreed to.

On section 27—Determination of questions by commission.

Sir GEORGE PERLEY: The purpose of the amendment that is to be proposed is to prevent any party from appealing from a decision of the commission—

Mr. GARLAND (Bow River): On a point of order, Mr. Chairman, may I direct attention to the fact that we cannot hear what the acting Prime Minister is saying, because of the conversations that are going on in the chamber. I am anxious to hear these amendments, and I would like hon. members to be a little quieter.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The committee will kindly be a little more orderly.

Sir GEORGE PERLEY: As I remember it this clause was discussed with the Prime Minister and an amendment was suggested which would prevent any party appealing from the decision of the commission but would leave the commission the right to refer to the exchequer court any decision or any matter which they might think sufficiently important, instead of deciding it themselves. It was argued here the other day that it

would be very difficult for the workman to finance the appeal which is provided for in this section, and it was proposed to alter the section so that the commission itself might appeal to the exchequer court on any point with regard to which they thought there was any reasonable doubt.

Mr. NEILL: "Apply" not "appeal."

Sir GEORGE PERLEY: I move in amendment, seconded by the Minister of the Interior, that section 27 be amended by deleting from paragraph (e) of subsection 1 the proviso contained in lines 28, 29 and 30. Those lines read:

Any person aggrieved by the decision of the commission on any such question may appeal from that decision to the exchequer court, and—

Also deleting from subsection 3 all that part thereof contained in the last three lines. Subsection 3 would then read:

The commission may, on new facts being brought to their notice, revise any decision given under this section.

Further by deleting the words "an appeal or" and substituting the word "a", so that this subsection would read:

The governor in council may make regulations prescribing the procedure governing appeals under this section and those regulations shall provide for limiting the time within which a reference may be brought—

In other words the purpose of this amendment is to meet the suggestion advanced the other day it would be of very little value to the workers to have the right of appeal to the exchequer court, because of the expense involved. It was thought better to leave it to the commission, if there was thought to be any reasonable doubt, to have the matter brought before the exchequer court.

Mr. NEIL: How will subsection 4 now read?

Sir GEORGE PERLEY: Subsection 4 will be exactly as it is now except that line 48 will read, "time within which a reference may be brought."

Mr. NEILL: But in line 47 it says:

—prescribing the procedure governing appeals under this section—

It should read "governing references" if you are going to cut out the appeals.

Sir GEORGE PERLEY: I think that is correct.

Mr. DUPUIS: May I suggest to the acting Prime Minister that subsection 4 should read:

The governor in council may make regulations prescribing the procedure under this section, and these regulations shall provide for limiting the time within which a reference may be brought.

Mr. IRVINE: There are two more "appeals" to be cut out on the following page.

Sir GEORGE PERLEY: I just noticed those. If the committee is agreeable to this change I will have the section redrafted so there will be no misunderstanding.

Mr. GARLAND (Bow River): Would the acting Prime Minister please read to the committee paragraph (ii) of subsection (e)?

Sir GEORGE PERLEY: Paragraph (ii) remains as it is; it is not altered.

Mr. GARLAND (Bow River): In that case I wish to review or refer to the discussion that took place when this section was last before the committee. The question arose as to whether the commission would have the right to appeal to the exchequer court on any question. It was held by several members in this corner, notably the hon. member for East Hamilton and the hon. member for Winnipeg North Centre, that the commission should have the right to appeal only on a question of law. That was to receive the consideration of the Prime Minister, I think, and I should like to know the result.

Sir GEORGE PERLEY: According to this wording they could appeal on any question. Does the hon. gentleman object to that?

Mr. MITCHELL: The position we take was fully explained when we discussed the bill previously. When you go before the courts the workingman is always at a disadvantage, because you have all the power of industry and perhaps the power of the state pitted against him. In the practical application of this sort of legislation—you can take the workmen's compensation laws as an example—we felt that when a commission has been given the power to decide a question, according to the law of averages the workingman is infinitely better off than if he has the right to go to the courts under the common law. What we want to make very clear is that in the ordinary application of the act the decision of the commission shall be final. I might give a practical example in connection with workmen's compensation legislation. I think about ninety-nine per cent of the cases in Ontario are satisfactory to the workmen, while one per cent are problem cases. If you permit an appeal, in eighty per cent of the cases that are satisfactory to the workmen—the employer will appeal as a matter of course, because if you give the employee the right to appeal you must give that right to the em-

ployer as well. We would rather take a chance on the fairness of a commission than take the risk, if I may call it that, of going to the courts, where we would be at a decided disadvantage. That is as clear as I can put it.

Sir GEORGE PERLEY: What we are proposing is that there should be no right of appeal to either side, but that the commission itself may appeal. I do not suppose the hon. gentleman objects to that.

Mr. MITCHELL: On a question of law.

Sir GEORGE PERLEY: The commission may make a reference to the exchequer court.

Mr. MACKENZIE (Vancouver): There is no appeal whatever left now; there is only a reference, which is entirely discretionary and which is not mandatory at all. There is no appeal left in the bill at all.

Sir GEORGE PERLEY: There is merely a reference; that is right. I used the wrong word. There is merely a reference to the exchequer court if the commission thinks fit.

Mr. NEILL: It is rather more than a reference, because the section provides:

—the commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court.

I think that provision should be eliminated if you are going on the theory that they can put only a sort of abstract problem to the court.

Sir GEORGE PERLEY: I do not suppose the labour representatives object to the commission taking such steps as they think best to decide any questions that may come before them. Surely there can be no objection to that.

Mr. COOTE: It does seem to me the working of paragraph (ii) could be improved upon, now that you are striking out paragraph (i). I think it should read something like this: "The commission may, if they think fit, refer any question which they may feel it necessary to refer to the exchequer court."

Some hon. MEMBERS: That is what it provides now.

Mr. COOTE: It says "instead of deciding such question" and "such question" refers to subsections (a), (b), (c), (d) and (e), and surely it is not those questions that are to be referred; it would be other questions regarding the interpretation of the act. Those are surely the only questions the commission would wish to refer to the exchequer court.

[Mr. Mitchell.]

Mr. MITCHELL: As a layman reading the law, I would understand that they may continually pass the buck until the commission is black in the face. We wish to obviate that. In our view the commission should take the responsibility, and if the government can assure us that the contention put forward by an hon. member from one of the Vancouver ridings is sound, then I am satisfied.

Mr. CASGRAIN: That does not mean anything.

Sir GEORGE PERLEY: Does the hon. member wish to have the whole idea of reference to the exchequer court left out?

Mr. MITCHELL: No.

Mr. GARLAND (Bow River): No, but once more may I point out to the acting Prime Minister, a man who is a very capable lawyer, that he must be fully aware that it is usually the letter of the law which applies in a court, not the spirit. It does not matter what interpretation may be placed upon the law by hon. members, the court will undoubtedly decide in keeping with the actual written document.

Sir GEORGE PERLEY: Quite so.

Mr. GARLAND (Bow River): This document clearly states that the commission has power to refer any case—any case, not just questions of law or questions of interpretation—for decision to the exchequer court. That is the point raised by the hon. member for East Hamilton, and other hon. members. Quite properly in my opinion they take objection to this point. When one gets into the claws of the law—or, shall I say, the arms of the law—decisions are subject rather to cold-blooded legal interpretation than to humanitarian or other principles.

Mr. MACKENZIE (Vancouver): Order, order.

Mr. GARLAND (Bow River): I submit—and no person knows it better than the hon. member who has just interjected his sardonic and ironic "order, order"—that if this point is to be adequately met there should be included in the subparagraph (ii) the words "any question of law" or "any question of interpretation arising out of this act," and nothing else. The right of reference should be limited to those two points.

Mr. COOTE: In other words, we should not have a clause in the bill which would allow the commission, as we have said so often lately, to pass the buck to the exche-

quer court. Let them decide the ordinary questions arising under the administration of the act.

Mr. IRVINE: If we alter subparagraph (ii) we will have to alter subparagraph (i), too.

Mr. MACKENZIE (Vancouver): No, it was altered.

Sir GEORGE PERLEY: Stand.

Section stands.

On section 28, subsection 3—Umpires and deputy umpires.

Mr. MACKENZIE (Vancouver): The question was as to the classification of the term "deputy umpire." I believe the point was raised by the hon. member for Comox-Alberni.

Sir GEORGE PERLEY: Yes, I think that is true. As a matter of fact, in England they have an umpire and, I believe, seven deputy umpires. In Canada the number would depend upon the number of sections into which we divide the country. I can see no objection to this subsection.

Mr. NEILL: The point is this: There is no differentiation of duties assigned to the umpire and the deputy umpires respectively. The deputy umpire is clothed with the same authority as the umpire. Why should we appoint an umpire who would ostensibly have authority or jurisdiction above a deputy umpire? Why not simply state that a number of umpires is deemed necessary?

Sir GEORGE PERLEY: I cannot follow the argument of the hon. member. I suppose the umpire would be located at Ottawa, and the different deputy umpires would be in different sections of the country. All of them will be clothed with authority in accordance with the act.

Mr. NEILL: If they are all going to be clothed in the same authority why should one be put in a little pedestal above the others, but apparently without any added authority? When a deputy umpire makes a decision it is not referred to the umpire; they all act under the same basis of jurisdiction. Why have two distinct classes? Why not call them umpires? This is not an important point, but I should like to have it made clearer.

Mr. DUPUIS: Mr. Chairman, so that we may more intelligently study section 27 I would ask that the committee revert to that section.

Sir GEORGE PERLEY: Very well.

Mr. DUPUIS: On February 21, as indicated at page 1038 of Hansard, there was some discussion about paragraph (e) and subparagraphs (i) and (ii), and a decision was made by the Prime Minister.

Mr. MACKENZIE (Vancouver): By the house.

Mr. DUPUIS: Hansard reports the discussion as follows:

> A few days ago I listened with great interest to the statement made by the trades and labour council with respect to this matter, and I gathered that they were of the opinion that if the question of appeal were taken away under subsection (i) of the proviso, then the commission itself might refer to the court any question which was of sufficient importance to warrant a reference being made. I am rather inclined to think that that would meet the difficulty the hon. member has raised, and it seems to me it would be fair to all parties. If that suggestion meets with his views we would accept an amendment to delete subparagraph (i) leaving it so that:
>
> The commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court.
>
> Mr. Mitchell: I would move, in amendment, that subparagraph (i) be deleted.
>
> Amendment agreed to.
>
> Mr. Bennett: Then the letters (ii) will be deleted, also.

Mr. GARLAND (Bow River): I believe the Prime Minister may have referred to the double "i," itself, and not to the section.

Mr. MACKENZIE (Vancouver): Yes, that is obvious.

Sir GEORGE PERLEY: Yes, he referred only to the lettering.

Mr. HANBURY: Just take out one of the i's.

Mr. CASGRAIN: We do not see "i" to "i".

Mr. DUPUIS: I think I may prove that the whole committee does not see eye to eye. According to the statement of the Prime Minister subparagraphs (i) and (ii) of paragraph (e), subsection 1, section 27, are deleted.

Mr. MACKENZIE (Vancouver): No.

Mr. DUPUIS: Yes, they are.

Mr. MACKENZIE (Vancouver): The understanding of the committee was very clear and distinct. Last week the Prime Minister referred only to the marginal lettering of subparagraph (ii). On the amendment of the hon. member for East Hamilton subparagraph (i) was deleted, and then automatically subparagraph (ii) became subparagraph (i).

Mr. CASGRAIN: It is a merger.

Mr. COOTE: The ayes have it.

Mr. DUPUIS: I will admit it was a replacement, but I do say the question was decided at that time. Why should we revert to the same question to-day?

Mr. MACKENZIE (Vancouver): I understand that the bill is left open for redrafting in any case.

Sir GEORGE PERLEY: I think there was some misunderstanding, namely as to whether the change had reference to the whole section, or just the two letters "ii."

On section 28, subsection 3—Umpires and deputy umpires.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the subsection carry?

Mr. NEILL: No. Of course if the leader of the government insists on leaving the subsection in its present form he may do so, but I would point out that it is a duplication indicating that there are two officials when there is jurisdiction for only one. Why not appoint umpires, instead of appointing one umpire and in addition a number of deputy umpires who would do exactly the same work?

Mr. CASGRAIN: And we would save money, too.

Sir GEORGE PERLEY: The practice suggested here is in accordance with that indicated in the English act. They have an umpire and also deputy umpires, but they do not seem to have had any trouble. The clause has been drafted so that the umpire shall not be a barrister. It states:

> The governor in council may, from amongst the judges of the exchequer court of Canada and of the superior courts of the provinces of Canada, designate an umpire and such number of deputy umpires ...

This is in accordance with the procedure in Great Britain, and they do not seem to have any trouble about it. I do not see why one man should not be called an umpire and another a deputy umpire.

Subsection agreed to.

On section 33, subsection 1—Civil proceedings by employee against employer for neglect to comply with act.

Mr. MITCHELL: As I understand the subsection, if the employer does not compy with the act and pay the necessary contributions the employee must sue. In my judgment that responsibility should rest with the government.

Mr. NEILL: Yes, and by that time the employer will have disappeared. I brought that question up before the committee and pointed out that almost invariably, in cases where an employer had practically embezzled money which he had withheld from the employee, the company in question would be on the verge of bankruptcy. Probably by the time the employee discovered he had a claim against the employer, the employer would have run away—disappeared. It is not fair. I gave the example of an innocent purchaser who is protected under certain forms of law, and I suggest that in this instance the employee who has legally paid the sum due from him should receive the benefit to which he is entitled and that the fund should stand the loss, or that the commission should sue the delinquent employer, who by this time has no doubt absconded.

Sir GEORGE PERLEY: The commission will have inspectors all over the country to see that these amounts are paid by the employer, it will be their duty to see to that. The commission itself must see that these amounts are paid promptly and they will have inspectors throughout Canada looking after that part of the work.

Mr. MACKENZIE (Vancouver): This subsection really confers a benefit on the employee because it gives him the right by statute to recover; it is specific in the statute; otherwise the employee might not have the right to recover.

Mr. NEILL: I am not suggesting that any of the rights of the employee should be taken away from him, but as a matter of fact you are giving him a right which is not worth anything. The employer embezzles the amount which he has collected from the employee. The employee has received his wages minus, and properly minus, the amount of this contribution, and when he has made that contribution he has discharged his full obligation to the government; his obligation then ceases. He has done his part when he has accepted his wages with the reduction representing his contribution to the fund. Then, because of some relationship between the employer and the government, the employer having embezzled the money which he has received, as agent I suppose of the crown, or of the fund, the employee is asked to suffer the loss. I consider that you are not entitled to place upon him the onus of collecting the money which he has paid in. Having paid, as required by law, the money due from him to the fund, having paid it in the sense that he has agreed to accept his

wages less that sum, you cannot go back a month afterwards and tell him to sue Tom Jones, the employer who is by this time perhaps in the United States. The acting Prime Minister says that there will be inspectors all over the country watching to see that these sums will be paid. But the Prime Minister, when he was asked about this matter, indicated that the payments would be made by the employer to the central fund here; they would be remitted here. Some man sitting in his office here will get round to that particular file perhaps ten days after its arrival, and he will then discover that the employer has not paid in the money. He will assume that it is just an ordinary piece of business neglect, something in the ordinary course of business, and he will notify the employer, that he is delinquent to the extent of two or three weeks' payment, and will ask him to make it up. I submit that it will take months in remote places before it can be discovered that an employer has disappeared, and the employee's unemployment relief may be wholly forfeited. The hon. member for Vancouver Centre says that I propose to take away the right of the employee to recover. But I submit that as this provision stands now it is a right that will be of no value to the employee in most instances. And, more than that, it is a right that does not devolve upon him, because it is not his business to go around collecting from employers who have not paid in the amounts they have received. The employer who embezzles amounts paid into him should be proceeded against by the government or by the commission, and the responsibility should not rest with the employee.

Mr. GARLAND (Bow River): I am at a loss to know how this unfortunate individual will ascertain that the amounts he has contributed have not been paid in, until a report is made to him by the commission. I find myself in complete agreement with the hon. member for Comox-Alberni, and according to subsection 1 of section 33, it is only in the event of the unfortunate employee having lost in whole or in part the unemployment benefit to which he would have been entitled under this part of the act, that he shall then be entitled to start a civil suit to recover a civil debt, for an obligation which in my humble opinion is not his. The money has been handed over in trust to a trust fund under the commission and the commission must take full responsibility in the matter. It should not be incumbent on the employee to take proceedings.

Mr. MITCHELL: This is a compulsory unemployment insurance scheme. The employer breaks the law and it is left for the employee to do the work of the government. That is what it comes down to, and I think it is absolutely unfair and ridiculous. The employee complies with the law; he pays in his contribution, and then through circumstances over which he has no control the employer defaults; he does not pay over the money. But instead of the government stepping in and seeing that the employee gets what he has paid in, it is left to the employee to enforce the law, and he loses his benefit. It is an untenable position.

Sir GEORGE PERLEY: I submit that this is a matter of administration for the commission to see that these amounts are properly collected, and I am sure they will carry out that duty.

Mr. MITCHELL: But that is taking the employee up a blind alley and sand-bagging him. You cannot by regulation change the law as it stands here. I submit that the responsibility should rest on the government in view of the fact that this is a compulsory unemployment scheme. If the employee pays into the fund in good faith under this compulsory plan he is entitled to his payments, as stipulated in the bill.

Mr. GARLAND (Bow River): This section, I submit, should provide that where an employer has failed or neglected to pay contributions which under this part of the act he is liable to pay in respect of any employee or person in his employment, or has failed or neglected to comply, in relation to any such person, with the requirements of any regulations relating to the payment and collection of contributions, this shall not be taken as any reason for the loss of benefit, and it shall be incumbent upon the commission to proceed by civil suit for debt against the employer who so acts.

Mr. MACKENZIE (Vancouver): My hon. friend from Comox-Alberni did not understand the point I raised when I said that this provision benefited the employee. It is a benefit to the employee in that it gives him the right by statute to recover, though I agree with the hon. gentleman that that right is valueless as it stands here; it should be extended, and the duty placed on the commission itself to recover for the employee the benefits to which he is entitled under the act.

Mr. GARLAND (Bow River): And there should be no loss of benefit.

Mr. MITCHELL: If this provision is left as it is now, we shall have the common law racket of a man having to pay $75 to collect $30. The responsibility of suing the employer should rest with the government, with all its wealth and power to take action.

Mr. COOTE: Under this bill, undoubtedly the employee is bound to make certain contributions, and the bill also provides that the employer shall deduct the contribution from the wages of the employee and remit it to the insurance commission. The employee has certainly complied with the law when his contribution is deducted from his wages. He has made contribution in the manner laid down under the law, and that having been done his rights to all benefits under the law should be unquestioned, notwithstanding anything that the employer may do. I certainly think that this section should stand for redrafting so as to make it perfectly clear that it is the duty of the commission to see that the employer remits the money.

Mr. POWER: There is a penalty provided in the event of the employer having failed or neglected to pay in contributions. That is well and good. The penalty is a fine of $50 or imprisonment for a period not exceeding three months, or both fine and imprisonment. But there does not seem to be any provision that the insured employee shall receive the benefits; and if some large concern, having got itself into financial embarrassment, as pointed out by the hon. member for Comox-Alberni, has neglected to pay in the contributions for a certain period, then hundreds of men will be deprived of their right to benefit under the act. Now, it will not be very much satisfaction to them to know that the head of the firm will be obliged to pay a fine of $50 or to serve a term of three months in gaol, and that every one of them will have to sue for the $6 a week benefit to which he is entitled. I suggest that the amendment proposed by the hon. member for Bow River, namely, that the commission, having been entrusted by this parliament with the duty of collecting the contributions, with the duty of administering this act, should pay to the employee the amount to which he is entitled under the provisions of the statute and proceed to collect as well as it can from the person who is obliged under the act to remit the contributions. Under the workmen's compensation acts in various provinces I have no doubt this system exists. If a man is hurt even in provinces where there are contributory systems of workmen's insurance, the provincial board sees to it that the compensation is paid whether the company has gone into bankruptcy or liquidation or has ceased its operations, and the injured employee receives that to which he is entitled under the provincial statute. I think the same situation should apply in this case; it seems to me there should be some provision.

Sir GEORGE PERLEY: I think the British act reads exactly the way this does. I am willing that the clause stand and I shall give the matter further consideration.

Section stands.

On section 38, paragraph (i)—Penalties.

Mr. NEILL: This is the paragraph giving the commission power to make regulations constituting violations of the act and prescribing fines and imprisonment. I took exception to the idea of giving them such wide powers as to allow them to define their own offences and then prescribe a term of imprisonment. I said that this at least should be limited to giving them power to prescribe an ordinary fine, limited to $50, and in default, possibly imprisonment, but not to give these men, who may not be lawyers, the power, I think I used the expression "to start off and make a little criminal code of their own."

Sir GEORGE PERLEY: I heard this discussed the other day and I really do not see any argument against it. The powers of the commission are extremely limited. The amount of fine and imprisonment they can impose is very much restricted and I cannot see any reason for a change.

Mr. MACKENZIE KING: I wish to protest very strongly against this clause remaining as it is. It is another instance of alienating the authority of parliament in defining what offences are to be regarded as crimes and turning over to a commission this function of parliament. We have done that under the marketing act with respect to a number of local boards, in different parts of the country, giving to these bodies, in no way representative of all classes, power to create offences in the nature of crimes. It is proposed in this legislation to give this new commission authority to define new crimes for being guilty of which persons are to be liable to imprisonment. What is parliament for if in such matters we are going to turn these powers over to local bodies? I certainly think the acting leader of the government ought to agree to strike out from the section the words:

And terms of imprisonment not exceeding three months.

It is possibly reasonable that power should be given to the commission to impose some penalty in the nature of a fine for violations of regulations that have to be carried out, but the commission should not be given authority to imprison men; the criminal code is there for the purpose of setting forth what are crimes, and it is for parliament to say what is to go into the code.

Sir GEORGE PERLEY: May I suggest to the leader of the opposition that in his day a good many bills were passed that had similar clauses in them.

Mr. MACKENZIE KING: No; I would ask my right hon. friend to cite one of them.

Sir GEORGE PERLEY: I cannot cite them at the moment, but if I remember rightly, there were bills passed with regard to agriculture and other matters of that kind that had similar provisions in them.

Mr. MACKENZIE KING: Not with regard to imprisonment; my right hon. friend will, I think, find he is mistaken there. It is going too far to give to a body other than parliament the right to deprive any citizen of his liberty to the extent of subjecting him to imprisonment. I submit particularly with regard to legislation which is intended to be in the nature of social reform, the government is taking a wrong step in seeking reform in that direction.

Mr. GARLAND (Bow River): The difficulty might in some degree be obviated if an agreement could be arrived at that any such prescribed fines and terms of imprisonment as might be set up by the commission under its regulations should be subject to confirmation by the governor in council.

Some hon. MEMBERS: By parliament.

Mr. GARLAND (Bow River): That would be the least that would be tenable under the circumstances.

Mr. POWER: All the regulations are subject to the approval of the governor in council. My hon. friend's suggestion does not help any.

Sir GEORGE PERLEY: Under this legislation the commission cannot make any regulations without submitting them to the governor in council for approval.

Mr. MACKENZIE KING: I hope the acting leader of the government is not going to insist on this section being carried as it stands, because it certainly goes much further than it ought to go. To give to any commission, especially one of this character, power to create offences punishable by imprisonment, is extending powers entirely too far to a delegated body. This is an unknown commission; none of its members will be representative of or responsible to any appreciable body of citizens; they will simply be appointees of the government. To enact what are crimes ought to be left to the people's representatives in parliament and not given to any other body.

Sir GEORGE PERLEY: Does the right hon. gentleman suggest that this should be put into the criminal code? Supposing one of these employers makes a false statement or refuses to give particulars regarding his business and so forth, how does the right hon. gentleman propose to deal with that.

Mr. MACKENZIE KING: I think my right hon. friend will find that there is already in the criminal code a provision to cover that kind of offence. It certainly should be for parliament to determine what is to be in the nature of a crime punishable by imprisonment. Everybody is entitled to know what the law is in these matters. How are individuals to know for what they are liable to go to gaol if it is left to boards in all parts of the country, and commissions here, and commissions there, from time to time to create new crimes which are punishable by fine and imprisonment? This section goes entirely too far and should be stricken out.

Mr. BURY: I did not understand the bill gave the commission power to create new crimes. I understood the bill itself created the crime. Further, I did not understand the commission was given power to imprison. I understand the commission is given power, as are many other statutory bodies throughout the land, to lay a charge of a breach of a statutory duty created by parliament, and a criminal court first finds on the facts that there has been a breach of that statutory duty and then imposes the particular penalty which the parliament of Canada has attached to that breach. That is a common situation. There are all over this country and all over every other civilized country bodies that have exactly the same powers. This parliament or it may be a provincial parliament passes an act declaring a certain action to be a breach of a statutory duty and attaching a sanction to that duty, so that if it is broken, any body to whom is entrusted by parliament the administration of the act, can apply in a criminal court of justice established by parliament, to try the facts of the case, ascertain whether there has been a

breach and then give the sentence of the proper penalty that is attached by this parliament and not by the commission. The commission neither attaches the penalty nor tries the case nor imposes the penalty; that is done by parliament and a court of criminal jurisdiction established by parliament. What the right hon. gentleman has said in his statement this afternoon, just as what he said on a previous occasion in connection with the marketing act, is in my opinion utterly fallacious.

Mr. MACKENZIE KING: I am afraid my hon. friend has not read the bill. The clause reads:

> In addition to the authority otherwise conferred upon the commission to make regulations under this act, the commission may also make regulations:—
> (i) for prescribing punishment for the violation of any regulation including maximum and minimum fines but not exceeding fifty dollars, and terms of imprisonment not exceeding three months.

That is quite different from what my hon. friend has said. This gives to an unknown body, a group of men at the moment unknown to this parliament, power after this parliament ceases to be in session or, for that matter, to exist, to define or create new offences in the nature of crimes which shall be punishable by fine and imprisonment. That is to say the least going altogether too far in a matter of social legislation.

Sir GEORGE PERLEY: Would it meet the right hon. gentleman's objections if it were made imprisonment in case of default?

Mr. MACKENZIE KING: No, I do not think that any body of this character should have the right to create an offence punishable by imprisonment. If the commission believes that certain offences are liable to arise under this bill which should be punishable by imprisonment let it so report to the governor in council and let the responsible minister of the crown bring in an amendment to the criminal code to cover the offence. That is the proper way to proceed. Then we shall all know to what extent the judgment of the commission is wise in a matter of the kind. But this opens the way for the commission to make an offence of anything it pleases, and that offence punishable by imprisonment.

Mr. MACKENZIE (Vancouver): I am greatly surprised by the remark of the hon. member for East Edmonton (Mr. Bury). One does not need to be a member of the legal profession to understand the full significance and implications of section 38. I regret very much that the hon. member should submit such an interpretation. In the first place look at the beginning of the section, it confers upon this commission the power to make regulations:

> In addition to the authority otherwise conferred upon the commission to make regulations under this act, the commission may also make regulations;—

And then follow subsections (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j), and in subsection (i) they are given the specific power to prescribe punishment, and the only limitation is as to the maximum fine and the maximum term of imprisonment. Within these limitations they have complete power to do what the hon. member for Comox-Alberni (Mr. Neill) said the other day, to invent for themselves in regard to local administration a miniature criminal code for Canada. To my mind that is an absolute flouting of all fundamental principles of jurisprudence. These matters should be in the control of this parliament and this parliament alone.

Mr. BURY: All I can say is that there are other statutory bodies that have power to make regulations, and to the breach of these regulations penalties are attached.

Mr. MITCHELL: If I understand rightly, the commission can send a man to gaol, without recourse to the courts—

Some hon. MEMBERS: No.

Mr. MITCHELL: Then I am wrong.

Mr. STITT (Selkirk): It seems to me that the language of the opposition is the language of exaggeration. By this section parliament now prescribes the limits of penalties. That is what we are doing, prescribing the punishment for violation of any regulation—

Mr. CASGRAIN: What regulation?

Mr. STITT (Selkirk): Any regulation the commission may make within the ambit of the act. There is no provision here whereby the commission can imprison anyone, but there is a limitation upon the penalties which the commission can impose, a very real limitation, namely a maximum fine of $50 and a maximum term of imprisonment of three months.

Mr. JACOBS: A mere bagatelle!

Mr. STITT (Selkirk): A mere bagatelle in this way, that before any man could be imprisoned they would have to charge him with the offence before the courts and prove it and convict him by due process of law.

Mr. NEILL: And the offence might be that the man said he thought the commissioners were dumb.

Mr. MACKENZIE KING: My hon. friend says, for the offence. I ask him to tell us what the offence is.

Mr. TURNBULL: Breach of regulations.

Mr. MACKENZIE KING: What regulations?

Mr. TURNBULL: Any regulation they make.

Mr. MACKENZIE KING: In other words hon. gentlemen opposite are proposing that citizens of this country shall be liable to three months imprisonment for breach of any regulation, they do not know what, which a group of unknown commissioners may see fit to make.

Mr. STITT (Selkirk): These regulations will have to be duly passed, prosecution will have to be duly instituted—

Mr. MACKENZIE (Vancouver): For what?

Mr. STITT (Selkirk): —and the charge will have to be properly tried before a competent tribunal. Another point I would emphasize is, how can this parliament anticipate all the ramifications of the administration of this act? Good law does not anticipate too much. I do not believe that a legislative body can take to itself a priori the details of administration. I think the law is good law, it protects the individual; all it does is to limit the penalties within reasonable bounds.

Sir GEORGE PERLEY: I will consider this matter a little further. Subsection (i) can stand.

Subsection stands.

Subsection (j) agreed to.

On section 48—Act to become operative.

Mr. POULIOT: May I ask the acting leader of the government if he does not entertain a different view from that expressed by his leader, and if he is ready in the absence of his leader to submit this legislation to the Supreme Court of Canada?

Sir GEORGE PERLEY: Certainly not. If this legislation is objected to afterwards possibly someone will take it to the supreme court, but we are not going to do it at the present time.

Mr. POULIOT: May I tell the right hon. gentleman more? This legislation is most absurd because it is based on a convention which has lapsed. If you go back to the treaty, and the other treaties in regard to this so-called social legislation, everything is based on instruments which have lapsed. The Prime Minister asked us for a blank cheque and in return he gave us a prescribed note. What is the benefit to the people of this country? Moreover the Prime Minister does not know international law, and he does not know the rules of this house.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: How can he tell us that this legislation is based on international treaties? May I ask the acting leader of the government the same question which I put some time ago on the orders of the day, about the date by which such legislation should have been enacted? He knows very well the three treaties which have been published in extenso in the votes and proceedings and in the orders of the day; I am sure he knows them by heart. He knows very well that in each one of those treaties there is a clause to the effect that each agreement should be put in force before a certain date. The date specified in most cases is long past. Would the acting leader of the government tell the committee that the time specified in the treaties has not lapsed long ago?

If the right hon. acting leader of the government does not understand what I have told him I shall repeat it in the clearest possible language. And if he wishes I shall say it to him in French. Now, sir, here we have social legislation which is going to replace the old order. This is the new order of things. The sun is rising behind the mountains, the old order is gone; this is the new order. I do not say that in an offensive way, because I have the greatest respect for old age, but the old order is gone. Here we are in the new order of things. This legislation is brought in to remedy the social evils of the time. Great legislation! It is brought in to help the unemployed, but it will assist no one who is now unemployed, that is the first characteristic of this legislation. In order for any man to get assistance by virtue of this bill he will have to work forty days.

An hon. MEMBER: Forty weeks.

Mr. POULIOT: I said forty days in order to see if the right hon. acting leader of the government was following me closely. But imagine a poor man who is unemployed and who has not a cent in his pocket; he will have to make a contribution every week for forty weeks before he gets anything under this legislation. Therefore the hundreds of

thousands of people who are unemployed will get no benefit from this so called social legislation.

That is the first point. Furthermore, if this legislation is attacked by any manufacturer who refuses to pay his share, what will happen? First the matter will be taken to the superior court of the province; then it will go to the supreme court or the court of king's bench, as the case may be, then to the Supreme Court of Canada and finally to the privy council. How long will it be before this insurance comes into force? This is only election propaganda, and that is why I denounce it. I was the only one to express myself against it, but if it were to come to a vote again I would do the same thing. I am strongly opposed to it, because it is all humbug, deceit and cant. That is all there is to it. I am afraid of the road to Damascus; I am afraid of those people who have Tory souls and Tory minds, and who are bold enough to call themselves Liberals. Liberalism is a mentality, a doctrine, and to be a Liberal one should be in touch with the people; one should know the sufferings of the people; one should not be a despot, with flatterers all about telling anything but the truth. This legislation is a great joke but it is a sad joke; it is too bad to take advantage of the troubles, the misery and the misfortunes of the people for political capital. It is shameful. If there are some people credulous enough to think this legislation will be of any assistance to the poor and humble people of this country who have suffered so much because of the policies of the government, I have the greatest compassion for them. They will get nothing out of this legislation. I am sorry the Prime Minister is not here; I regret very much that his ill health keeps him away, but on the treasury benches we have several of his cabinet ministers who have not the courage to tell him that this legislation, which was imposed on him by his election managers, is of no use and will serve no purpose to the common good of this country. That is why I am so sorry about what is happening now.

Mr. MITCHELL: I rise to a point of order. I would like to know what all this has to do with section 48.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I think the hon. gentleman is in order. This section is quite wide enough to cover his remarks.

Some hon. MEMBERS: Speaking to the galleries.

[Mr. Pouliot.]

Mr. POULIOT: I am not speaking to the galleries. I am speaking to the chair and through the chair to all members of this committee.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I would ask the hon. gentleman to confine his remarks to section 48.

Mr. POULIOT: Yes, sir, and my contention is that although it is set out in section 48 that this act shall come into force when assented to, this act—

Mr. MITCHELL: I rise to a point of order. At page 1088 of Hansard for February 21 I find the words, "Section 48 agreed to."

The CHAIRMAN (Mr. MacDonald, Cape Breton): It is marked here as standing.

Mr. MITCHELL: The discussion is all out of order; the section has been agreed to.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The section is marked here as standing.

Mr. MITCHELL: I am quoting from the records of this house.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Our records show that this section is standing.

Mr. POULIOT: Sir, I thank you for your fairness to all hon. members of this house. I am not flattering you when I say I deeply appreciate the way you are fulfilling your high duties.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The clerk finds that the section has been carried, and consequently this discussion is out of order.

Mr. NEILL: We have not passed the schedules.

Sir GEORGE PERLEY: We come to the schedules now.

Mr. POULIOT: On the schedules, sir,—

The CHAIRMAN (Mr. MacDonald, Cape Breton): The first schedule has been carried.

Sir GEORGE PERLEY: I have a suggested amendment to schedule 1, if it could be reopened.

The CHAIRMAN (Mr. MacDonald Cape Breton): With the consent of the committee.

On the first schedule, part II, excepted employments.

Sir GEORGE PERLEY: In subsection (c) of part II employment in lumbering and logging is excepted. It has been represented to the government very strongly that this

section should be amended in some way to include the workers in the regular trades such as saw mills, shingle mills and so on. Therefore I move, seconded by the Minister of the Interior, that after the words "Employment in lumbering and logging" be added the words:

—exclusive of the saw mill, planing mill and shingle mill industries.

That is to say, they will be allowed to come under the act. I may say that we realize perfectly well, and no one more than myself, the difficulty about the logging business itself. I should have liked to see some way devised by which the men working in the woods would be able to come under the act, but so far I have not been given any wording which seemed suitable for the purpose. Perhaps it will be remembered that this act is not final. It is not like the laws of the Medes and Persians; it can be amended, and later on I hope some way will be found to include those working in the woods as well. I am moving this amendment in order to take in the saw mill, planing mill and shingle mill industries, which are excluded at the present time.

Mr. VENIOT: By this amendment those working in saw mills will be included. Will that take in saw mills running only part time, say during the summer season?

Sir GEORGE PERLEY: I think it is broad enough to cover any saw mills.

Mr. POWER: I should like to point out to the right hon. gentleman that this will not be of very much benefit to those employed in saw mills in eastern Canada. These saw mills operate only from about May to October, a period of approximately twenty-five to thirty weeks. Those are the saw mills operating for the longest period; there are some winter mills which to my knowledge operate for only two months, particularly the small shingle mills near the scene of logging operations. So an employee in such a mill would have to make his contribution for well over two years before he would be entitled to draw any benefit. I quite understand that even then he will derive some benefit under the act, but in eastern Canada, nearly all through Ontario and certainly all through the provinces of Quebec and New Brunswick and the maritime provinces, work in the saw mills is a purely seasonal occupation, which does not last much longer than the work of the men engaged in logging. So I doubt very much whether the commission, when it comes to consider this matter—and I understand that the commission, by a system of analogy which was explained to us with some difficulty the other day, may exclude these trades—will be able to include these workers. I think perhaps the minister should make it pretty clear that so far as eastern Canada is concerned the saw mill workers will still be excluded from the operations of the bill.

Sir GEORGE PERLEY: I think that is a fair statement. I should like to see them all under the bill and I have so stated more than once, but it is a very difficult problem to work out. I am hoping the commission will, under the powers given it, look into the matter, make a report, and try to find some way of arranging it.

Mr. NEILL: Would the acting Prime Minister explain a little further just what the objection may be to including logging, as well as sawmill operations, because it is notorious in the west that logging is an all-year-round industry. The Prime Minister indicated that he appreciated that fact, but that he had in his mind the provision of something along the lines of zone regulations. I notice the amendment states that the sawmill, planing mill and shingle mill industries will be affected. I should think the shingle mill industry would involve the cutting of shingle bolts, too. When we refer to the shingle mill industry we raise the doubt as to whether or not the cutting of bolts would not come within the operations of shingle mills. Would the minister explain what led the government to exclude the logging industry?

Sir GEORGE PERLEY: I have tried to explain. The difficulty is that the bill now before us is for the whole of Canada. The hon. member suggests that zones were mentioned. That plan has not been accepted as yet. So far as logging operations are concerned may I say that I should like to see them included, speaking from a purely personal standpoint, because in years gone by I knew something about that industry. Under the present bill we could not include logging in British Columbia without including logging in this part of Canada where it is a seasonal occupation, entirely.

Mr. NEILL: So that this amendment, to use the language of the hon. member for Quebec South, will take in the sawmills in Quebec province which are only seasonal and will rule out logging operations in British Columbia which are distinctly carried on all the year round.

Mr. WOODSWORTH: I have before me a communication from the camp and mill workers' union urging that every effort be

made towards having the workers in the lumber industry included in the bill. As the hon. member for Comox-Alberni has said, in many parts of British Columbia this is a steady occupation.

Sir GEORGE PERLEY: From where is the communication?

Mr. WOODSWORTH: The camp and mill workers union, Vancouver.

Mr. MITCHELL: Would not section 15 (2) meet the objection which has been made?

(2) Where it appears to the commission that the terms and conditions of service of, and the nature of the work performed by, any class of persons employed in an excepted employment are so similar to the terms and conditions of service of, and the nature of the work performed by, a class of persons employed in an insurable employment as to result in anomalies in the operation of this act, the commission may, by regulations either unconditionally or subject to such conditions as may be specified in the regulations,—

do so and so. Would that not take care of the situation?

Sir GEORGE PERLEY: I understand that that subsection is intended to give the commission power to go into these matters. May I repeat that this measure is by no means final. We have brought it in to cover as many people as possible, but there may be need at a later time to bring about what is suggested by the hon. member.

Mr. NEILL: I do not think that meets the situation. The suggestion reminds me of the story Mark Twain told. He said he had some disease, and the only medical advice he could obtain was that of a horse doctor. The horse doctor said, "Well, I don't know what you have got, but I could give you something to change it to botts, and I could cure that." In the present instance a person would seem to be met with this reply, "Well, you are not under the act, but if you could prove you are an anomaly you could get under it." I do not believe in getting into something by means of an anomaly. If it is right at the present time, and if it is the best consideration of the government that a change should be made, then it should be made. Do not leave it for some fictitious anomaly to be proved later on.

Mr. WOODSWORTH: When the matter was under discussion a few days ago I suggested the Prime Minister should detail the reasons why the government had excluded these various groups, going over them one by one. I understood the Prime Minister accepted the suggestion. I should like to urge that before we proceed further with this section the acting Prime Minister should tell us why these particular groups have been excluded. There must be some reason. Certainly so far no general principle has been laid down by the government. It seems as though they have taken classes arbitrarily, and left out other classes. There must be some reason why large numbers of needy people should be thus excluded. I would urge the acting Prime Minister to give in some detail the reasons for excluding certain classes.

Mr. POWER: As has been indicated by the hon. member for Comox-Alberni the terms "sawmill industry" "planing mill industry" and "shingle mill industry" may cover more territory than is anticipated by the amendment. I suggest the term "sawmill industry" covers the entire industry, from the cutting of the tree until it leaves the saw.

Some hon. MEMBERS: Hear, hear.

Mr. POWER: I suggest that unwillingly and unwittingly the government will be bringing in the logging industry. Personally I believe they should, but I do not think it should be done in a left-handed way. If the amendment is left in its present form the commission most certainly will have the right to include the logging industry with the sawmill, shingle mill or planing mill industries.

Mr. FRASER (Cariboo): Having listened to the hon. member for Comox-Alberni may I direct this fact to the attention of the committee: While the hon. member is undoubtedly correct in his representations about the logging industry along the coast of British Columbia being an all-season or all-year round operation, his observations do not apply to the interior of that province. The interior of British Columbia is in the same position as was indicated by the hon. member for Quebec South. They get out their logs in the winter time and do their milling in the summer time. The people who work in the winter time are very often working in the mills in the summer time. The point I make is that the representations made by the hon. member for Comox-Alberni do not apply to all of British Columbia; to be specific, they do not apply to the interior of that province.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the amendment carry?

Mr. POULIOT: No. Before it carries may I say I regret very much the committee has taken so much time in a discussion of this matter.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I regret hon. members have been splitting hairs. This chamber knows very well the bill will never be put into effect; it is just election propaganda. I believe it is ultra vires and that it is void, and that it would be so declared by any independent tribunal of the country. That is why I have strong objections to the measure. It is a very sad show, when it is made at the expense of the people who are suffering from unemployment and distress. I regret that so much time has been taken up in a discussion of this matter, because it will never come into effect; you may be sure of that, Mr. Chairman. Take my word, sir, when we meet together after the next election there will be great changes, the left will turn to the right. I cannot take seriously any discussion or any hair splitting about any section of a bill which is not seriously placed before the House of Commons. It is only election propaganda, and will serve the purpose only of adding to the arguments of the Tory canvassers during the next election campaign. That is why I strongly oppose the measure. And I am against it for another reason—

Some hon. MEMBERS: Carried.

Mr. POULIOT: I am opposed to it because it is based on international agreements which lapsed years ago. What is the strength of an international instrument which has no life? It is dead. It has been dead for years.

Sir GEORGE PERLEY: If the hon. member wished to speak in this way it seems to me the appropriate place would have been on the motion for second or third reading. However if the amendment is agreed to I would suggest that the section be passed. Then I would ask that the committee rise, report progress and ask leave to sit again.

Mr. GARLAND (Bow River): I do not think the amendment should pass until the promise of the Prime Minister is implemented.

Sir GEORGE PERLEY: Is the hon. member referring to the memorandum?

Mr. GARLAND (Bow River): I am referring to the exemptions. Many of us when we go to our home—in different parts of the country will have to make explanations and to give the reasons the government gave. I want to know what they are.

Sir GEORGE PERLEY: I shall have a memorandum prepared, and shall read it to the house the next time the matter is brought up.

Mr. POULIOT: I am satisfied with the promise that there is to be more serious consideration given to it.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the amendment carry?

Mr. MANION: Carried.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the amendment carry?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Amendment stands.

Progress reported.

On motion of Sir George Perley the house adjourned at six p.m.

Friday, March 8, 1935

The house met at three o'clock.

HOUSING POLICY

Mr. A. D. GANONG (Charlotte) presented the second report of the special committee on housing as follows:

Your committee recommends that it be granted leave to sit while the house is sitting.

Mr. GANONG moved that the report be concurred in.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 28 for the relief of Mary Wynifred Bayford Bennett.—Mr. Jacobs.

Bill No. 29 for the relief of Lillian Gurden McIntyre.—Mr. White (Mount Royal).

Bill No. 30 for the relief of Minnie Elizabeth Lyons Dafoe.—Mr. Jacobs.

ECONOMIC COUNCIL OF CANADA

Right Hon. Sir GEORGE PERLEY (Argenteuil) (for the Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to establish the Economic Council of Canada and to provide for the employment of such officers and employees, and for the payment of such expenses as may be necessary to carry into effect the proposed legislation.

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

Motion agreed to.

CANADIAN PACIFIC RAILWAY

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I would draw the attention of the Minister of Railways and Canals to an interview given at Montreal by Mr. Beatty, president of the Canadian Pacific Railway Company. May I be permitted to preface a question I am going to ask by stating that the interview is based upon a report submitted to the house in reply to a question asked by me some time ago concerning the amount of subsidies in land and cash given to the Canadian Pacific and its subsidiaries by the federal government? In this interview Mr. Beatty denies the accuracy of the statement submitted to the house by the Canadian National Railways through the Department of Railways and Canals. I wish to ask the Minister of Railways whether he has taken cognizance of this interview and whether he is in a position to make a statement concerning it?

Hon. R. J. MANION (Minister of Railways and Canals): Yesterday evening the hon. member for Gloucester drew to my attention the interview of Mr. Beatty and therefore I made some inquiries regarding it. The hon. member submitted to the house five different series of questions, and I think each series contained five or more questions, so that there were altogether some twenty-five or more. Those questions related to specific subjects. As the hon. gentleman has pointed out, one of the series referred to land grants and cash aid to the Canadian Pacific Railway Company, and matters of that sort. The questions asked did not refer to other matters to which Mr. Beatty referred in the statement made to the press. The information which we obtained, which was partly supplied through the Department of the Interior, as to land grants for example, was from recognized sources and is in accordance with the statistics as given out by the Dominion Bureau of Statistics for many years. For example in regard to the 26,000,000 acres of land to which Mr. Beatty refers, on page 12 of the Statistics of Steam Railways in Canada for the year ended December 31, 1933, exactly the same figures are given as those which we gave to the hon. gentleman, or which were given by the Department of the Interior in the returns furnished. Naturally we did not deal with the entire question of money grants or other grants to the Canadian National for instance, to some of which Mr. Beatty referred. But this blue book as put out for many years gives exactly the same figures as those in the return furnished to the hon. gentleman. There is nothing new in the figures, they are the same as submitted to the royal commission on railways. I do not wish to deal with the question further than that except to say that the figures given have been of public record for many years, and no exception has been taken to them as far as the land grants or other figures submitted are concerned.

MARKETING SCHEME FOR FISH

On the orders of the day:

Mr. OLOF HANSON (Skeena): I have a question to direct to the government based on a telegram received this morning signed by the Vessel Owners Association and the fishermen of Prince Rupert. If any communication has been forwarded to Ottawa opposing the passage of a marketing scheme, they would like to ascertain who the parties are who sent in representations, and also what the possibilities are of the Pacific coast halibut fishermen getting under a scheme before the season opens.

Sir GEORGE PERLEY: The Minister of Agriculture (Mr. Weir) is not in his seat at the moment; that question will stand for answer at some future session.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

The house resumed from Thursday, March 7, consideration in committee of Bill No. 8, to establish an unemployment and social insurance commission, to provide for a national employment service, for insurance against unemployment, for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto—Mr. Bennett—Mr. MacDonald in the chair.

Sir GEORGE PERLEY: Before we start with the clauses that were left over yesterday I wish to say that the copy of the bill which I have is as printed originally. I noticed that once or twice there was some confusion about the number of the sections. I think it arose in the following way. I ask the chairman to look at page 3 of the bill; about the middle of the page he will find the figure 3 in brackets, and "the remainder of this act may be referred to as follows:" That ought to have been a large 3, because that is really section 3, but they have renumbered them in such a way that it looks as if the one marked 4 is really number 3. The 3 in brackets should be a big 3, and if that were followed the sections below would be correctly numbered. I mention this, although it is a matter for the officials of the house to straighten out when the bill is completed.

Mr. MACKENZIE KING: The Prime Minister (Mr. Bennett) drew attention to that when we had the bill before us at an earlier stage, and I think it was agreed in committee that the numbers we would discuss would be the numbers as printed in the bill.

Mr. POULIOT: Mr. Chairman, I rise to a point of order. At page 1514 of Hansard I find the following:

Mr. Mitchell: I rise to a point of order. At page 1088 of Hansard for February 21 I find the words, "Section 48 agreed to."

The Chairman (Mr. MacDonald, Cape Breton): It is marked here as standing.

Mr. Mitchell: The discussion is all out of order; the section has been agreed to.

The Chairman (Mr. MacDonald, Cape Breton): The section is marked here as standing.

Mr. Mitchell: I am quoting from the records of this house.

The Chairman (Mr. MacDonald, Cape Breton): Our records show that this section is standing.

Later on the chairman said:

The clerk finds that the section has been carried, and consequently this discussion is out of order.

My point of order is that in the original procedure before you it did not appear that that section was agreed to; what was published in Hansard is only a copy, therefore when you stated as chairman of this committee that section 48 was not agreed to the committee should stand by you, notwithstanding what has been printed in Hansard. Therefore, sir, I submit that section 48 has not been agreed to, because you so stated yesterday in your capacity as chairman of the committee of the whole. May I ask you, sir, to rule in accordance with the statement you made yesterday as chairman of the committee of the whole.

The CHAIRMAN (Mr. MacDonald, Cape Breton): For the information of the hon. member I may say that it was discovered afterwards that section 48 had been carried. Previously I had gone on the assumption that it had not been carried; when it was discovered that it had, I ruled the discussion out of order.

Mr. IRVINE: Mr. Chairman, what is this discussion about?

Mr. POULIOT: I thank you, Mr. Chairman, but if you quoted from the original procedure which was before you and it did not appear on that original that the section was agreed to, I submit that whatever is told you by an officer of the house does not count. Whether or not in fact it has been agreed to is entirely immaterial if it does not appear on the procedure. I take your word to that effect. Therefore, sir, I submit that according to the statement you gave as chairman of the committee of the whole, clause 48 has not been agreed to. Will you kindly give your ruling on that? And if you rule against that contention I shall respectfully appeal to the Speaker for a ruling.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The only explanation I can give is that from the bill itself it appeared that the clause stood. On the clerk's minutes it appeared that it had been carried, therefore I had to rule as I did.

Mr. POULIOT: Well, sir, you were so nice to me yesterday that I will not insist any more about it.

Sir GEORGE PERLEY: What is the first clause? I think the first clause that stood yesterday was section 20. You might look and see if there is anything before section 20.

On section 20—Statutory conditions for receipt of unemployment benefit.

Sir GEORGE PERLEY: With regard to subsection 4 of clause 20, I have had the question carefully looked into, and I have decided in my own mind at all events that this clause is quite in order as it is printed. Its purpose is to provide that any three days of unemployment, whether consecutive or not in any week, will be counted as continuous unemployment in order to qualify a man for the benefit of this legislation. The man is unemployed this week for three days; next week he is unemployed for another three days, making six days of continuous unemployment. If he is unemployed for three days the following week that makes nine days of continuous unemployment. There is no restriction in this section of the bill to any particular week. Yesterday the hon. member for Comox-Alberni (Mr. Neill) argued that this section applied only to the first two weeks. I do not read it that way at all. It states:

—any two such continuous periods—

That does not refer only to the first one and two; it refers equally to the second and third or the third and fourth. That is the way I read the act, and that is the way it is interpreted by the officer of the Justice department with whom I discussed it this morning. Further I take it the hon. member for Comox-Alberni argued that because nine days of unemployment is required to qualify in this country while only six days is required in Great

Britain, this section should read a little differently. As a matter of fact a man can come under this section, in my judgment and in the judgment of the officer of the department whom I consulted, after having three days of unemployment in each of three consecutive weeks, making nine days in all, or in the weeks that come afterward providing there are at least two such periods in each six weeks. This section is based on the British act. I would refer the hon. gentleman to page 34 of the evidence taken before the royal commission in Great Britain, where he will find the British interpretation of this section, which amply supports this view.

Mr. GARLAND (Bow River): Do I understand that if a man coming under this act is unemployed for three days in each of three weeks then he becomes entitled to unemployment benefits in the event of three ensuing then three more days of employment before the next three days of unemployment, or if any period of employment ensues? Is he not then outside the operation of the act?

Sir GEORGE PERLEY: Certainly not; he comes under it if he has nine days of unemployment. If he works half the time, three days a week, for three weeks he is unemployed for nine days and the following week, if he is unemployed part of the time, he is entitled to claim benefits.

Mr. GARLAND (Bow River): In the case raised by the hon. member for Macleod (Mr. Coote) the other day, that of the coal miners in the Crowsnest pass district, these men have some employment every month in the year and sometimes every week in the year, but it is not continuous employment. As the hon. member pointed out, very often they have three days this week and three days next week, but each week they will have three or four days of unemployment. Do I understand that the interpretation is that as soon as nine days of unemployment have elapsed, as provided under subsection 4 of section 20, at page 11, these men would become entitled to unemployment relief for any subsequent periods of three days or longer which might ensue from time to time during the year?

Sir GEORGE PERLEY: That number of days would qualify such a man under this part of the act. Of course he would have to comply with the other sections which provide that he must pay in for so many weeks before drawing any benefits.

Mr. GARLAND (Bow River): Yes, I am assuming that.

[Sir George Perley.]

Sir GEORGE PERLEY: As I understand it three days of unemployment in each of three consecutive weeks would enable the man to qualify under the act.

Mr. NEILL: If the acting leader of the government has made up his mind that he is not going to amend this section I suppose that is all that can be said. He has quoted the opinion of his law department as well as some authority in England. It is peculiar that I should have to stand up here and contradict the right hon. gentleman, claiming as my authority his own leader, but surely the ability and wide experience of the Prime Minister is sufficient to justify me in placing some confidence in his statements. Yesterday I quoted the Prime Minister—I need not repeat the quotations to-day—as saying clearly and definitely not only that there was doubt about it but that it would be necessary to readjust it. Those are the identical words he used. As I say, it is useless to waste the time of the committee, but I would direct attention to one point, in connection with which the minister indicated his willingness to give way yesterday. On the ground that half or a very small moiety of a loaf is better than no bread perhaps he might be willing to take the same attitude to-day. The section states:

> Any three days of unemployment, whether consecutive or not, within a period of six consecutive days shall be treated as a continuous period of unemployment, and any two such continuous periods separated by a period of not more than six weeks shall be treated as one continuous period—

Having regard to the words "and any two such continuous periods" I do not see how this section can be extended to mean any six or ten or twelve periods; the section says any two periods. If that does not limit it to only two and not more than two I do not know what it means. The right hon. gentleman suggested yesterday that he might amend it to read "any two or more." That might possibly help the situation. I do not think it would improve it much, but it would be better and would carry out what my right hon. friend claims to be the meaning of the section.

Sir GEORGE PERLEY: I may say to the hon. gentleman that I have discussed that very point. I am not a lawyer, and yesterday I thought perhaps that might solve the difficulty, though the hon. gentleman said it would not be of any help. After discussing the matter, however, it is pointed out to me that the words "any two such continuous periods" apply to the first and second, fourth and fifth, sixth and seventh or any other two

consecutive periods. It applies to them all in equal measure, and I was told that the words I suggested yesterday would not make the provision any broader than it is to-day.

Mr. GARLAND (Bow River): Then take the case of the railway shop workers who work fairly steadily for three days a week, but not more. We have their first period of three days put in and registered as continuous unemployment under this section. Next week we have three days more unemployment, and the following week three days more. What I want to get very clearly from the acting Prime Minister is that once those three periods of three days each have elapsed, it is construed that the provision in regard to nine days waiting has been complied with and that in regard to each three day period in each subsequent week, the other statutory provisions having been complied with, the man will be subject to unemployment benefit. Is that the interpretation of the acting Prime Minister?

Sir GEORGE PERLEY: That is the way I understand it. I understand that if a man works three days a week for six weeks his period of unemployment will be figured out as eighteen days; they will all be counted in that way. If he complied with the other provisions of the act then he would be entitled to benefit.

Mr. NEILL: Then why did the leader of the government say, according to Hansard at page 979:

> It appears to me that the situation described this afternoon by the hon. member who has just spoken creates some difficulty. I had not been fully advised that there were cases in which there were lengths of time such as have been mentioned here. The hon. member said that for a period of a year men worked only three days a week.... Under those circumstances I should like to look into that subsection a little farther, because if there is a period as long as a year in which men are employed only half a week, obviously there should be some readjustment of the provisions of the subsection.

That is only one expression; the Prime Minister conveyed the same thought on several occasions. Now we are going to tear that all up; I suppose it is a case of the king is dead; long live the King, but possibly the king may come back—I hope he will—and want to know why his wishes or opinions have been disregarded. Personally I pin my faith to his knowledge of the subject. He was the sponsor of the bill; he has studied the matter deeply; he has admitted that this is a condition that had not been called to his attention, and he says some adjustment is necessary.

Sir GEORGE PERLEY: I may say to my hon. friend that the question has been very carefully looked into. My hon. friend suggests that he will be more content when the Prime Minister returns, and I may say that I hope he will return at the earliest possible moment.

Section agreed to.

Mr. NEILL: Under protest.

On section 27—Determination of questions by commission.

Sir GEORGE PERLEY: This section stood in order that it might be redrafted, and I have the amendment here. It is moved by myself, seconded by the Minister of the Interior, that section 27 of the bill as printed be deleted and the following substituted therefor:

Determination of Questions

27. (1) If any question arises—

(a) as to whether any employment or any class of employment is or will be such employment as to make the person engaged therein an employed person within the meaning of this act or whether a person is or was an employed person within the meaning of this act; or

(b) whether a person or class of persons is or is not, or was or was not, a person or class of persons to whom a special or supplementary scheme under this act applies or applied; or

(c) as to who is or was the employer of any employed person; or

(d) as to the rate of contribution payable under or in pursuance of this act by or in respect of any person or class of persons or as to the rates of contribution payable in respect of any employed person by the employer and that person respectively; or

(e) whether a person was or was not employed in any excepted employment during any period falling within the period of two years specified in the first statutory condition; the question shall be decided by the commission: Provided that the commission may, if they think fit, instead of themselves deciding such question, refer the question for decision to the exchequer court.

(2) In determining any question as to whether any occupation, in which a person is or has been engaged, is or was such as to make him an employed person within the meaning of this act, regard shall be had to the nature of the work on which he is or was engaged rather than to the business of the person by whom he is or was employed.

(3) The commission may, on new facts being brought to their notice, revise any decision given under this section.

(4) The governor in council may make regulations prescribing the procedure under this section.

I believe that complies with the understanding at which we arrived yesterday. Therefore I move, seconded by Mr. Murphy that the section I have read be substituted for section 27 as printed.

Mr. MacINNIS: In this amendment as suggested by the leader of the government I find there is a provision whereby the commission may, if it thinks fit, instead of themselves deciding a question, refer such question for decision to the exchequer court. Then we find in subsection 3:

The commission may, on new facts being brought to their notice, revise any decision given under this section.

As I understand it, after having referred a matter to the exchequer court the commission may, on new facts being brought to their notice, make a decision themselves. I think it would be much better to have the commission make all decisions, in the first instance, without any reference to the exchequer court.

Sir GEORGE PERLEY: The hon. member is desirous of having all these questions disposed of by the commission. This subsection leaves the matter in the hands of the commission. If the commission thinks it can be helped in a decision by referring a matter to the exchequer court, surely the hon. member would have faith enough in the commission to give them authority to do so.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the amendment carry?

Mr. GARLAND (Bow River): No; if it carries it will carry under protest.

Mr. HANSON (York-Sunbury): Let it pass.

Mr. GARLAND (Bow River): That would be all right, according to that right hon. gentleman—or who soon will be one. It was under subparagraph (ii), as the bill was printed, that the objection was raised yesterday. The condition still remains whereby the commission may, if they think fit, instead of deciding a question refer such question to the exchequer court. I say they should decide all questions, with the exception of questions of law or of interpretation of the act. Under the suggested amendment they may make the decision, or may refer decisions on all the preceding paragraphs, namely paragraphs (a) (b) (c) (d) and (e), which paragraphs do not include questions of law or questions concerning the interpretation of the act. They are questions upon which the commission could easily make decisions. Yesterday we asked that the clause be amended so that the commission could, if they thought fit, instead of themselves deciding any question of law or interpretation arising out of the act, refer such question for decision to the exchequer court. That was the suggestion made.

Sir GEORGE PERLEY: I remember that; that is what was said yesterday. The suggestion however is not accepted. We feel the commission are given authority, and that is all that has been asked by those people who represent the workers. By the amendment the matter is left entirely in the hands of the commission. They do not have to refer matters to the exchequer court; they may do as they please, and that is the way we wish to leave it.

Amendment agreed to.

Section as amended agreed to.

On section 17—Contributions.

Sir GEORGE PERLEY: Mr. Chairman, there is an incidental amendment I wish to make, seconded by Mr. Murphy. This amendment arises out of the change we have made to section 27. Now that we have done away with an appeal we believe section 17 should be amended by striking out subsection 4. Hon. members will note that this subsection refers to what will happen in the event of a decision being reversed or revised. If there is no further provision for an appeal, then there can be no necessity for subsection 4. With that in mind I move:

That section 17 be amended by deleting subsection 4 and renumbering the following subsections to read 4, 5, and 6 respectively.

Amendment agreed to.

Section as amended agreed to.

On section 33 (1)—Civil proceedings by employee against employer for neglect to comply with the act.

Sir GEORGE PERLEY: This subsection was discussed at great length yesterday and this morning I have had the opportunity to give it some further consideration. My view is that it is the duty of the worker to see that the stamps are put in his book. We do not wish to accept the suggestion made by hon. members to the effect that the state should lose the money in the event of an employer accepting the workman's share and not turning it in to the fund. All these contributions are paid by way of revenue stamps. It is necessary that the workmen should do their share towards seeing that these stamps are put in their books at the proper time. If they do that there can be no chance of loss to the workers.

Mr. MITCHELL: Why do we have the section at all then?

Sir GEORGE PERLEY: That is a fair question. However, if the workman does not see to it that the stamps are put in his book,

and the employer fails to pay to the fund, the workman will have the right of civil action against the employer.

Mr. MITCHELL: I believe that would not be so in practical operation. In a big steel company, for example, where there are 4,000 or 5,000 employees I believe we will find that the books containing the stamps will be kept by the employer during the time the man works for him.

Mr. ARTHURS: What about the smaller fellow?

Mr. MITCHELL: I shall come to him later. I believe it would be a practical impossibility for these men to come to the office and insist upon seeing that the stamps are placed in their books.

Mr. NEILL: They would just go once.

Mr. MITCHELL: Yes, that is true; they would go only once. In big firms that is the way it would be done, and I believe the acting Prime Minister will find that is the way it is done in England, too.

Mr. WOODSWORTH: I believe the evidence given before the price spreads committee shows that on many occasions the minimum wage legislation has not been lived up to, and that the employee has not been in a position to enforce it. The employer would simply refuse to give the minimum wage, and there have been all sorts of tricks used to get over the difficulty. In those cases the employee has had to conform to the wishes of the employer, or lose his job. I believe it is unfair to place the onus upon the employee.

Mr. NEILL: It is sometimes said that we are very far removed from the common people. I do not believe that fact could be better illustrated than by the argument now raised by the acting Prime Minister. Picture to yourselves men out in the bush, connected with logging camps, coming in to the office and demanding to see their books to find out if the stamps have been put in. Picture them arguing with the boss and quoting section 33 of the act indicating that they are liable to a loss which they do not purpose suffering. A working man, a logger, is supposed to be familiar with a very complicated section of this act, and we are supposing that he will come into the office and demand his rights. If we could grasp the point of view as to what would happen to that man I believe we would make a change in this section. He is to have the whole responsibility of enforcing a law which has been forced upon him—there is compulsory contribution—and he must line up the boss and say to that gentleman, "I do not believe you put those stamps on my book last week; I want proof." The boss would say, "What! Don't you think my word is good? You ought to be a lawyer. We can get along without you; you know too much about the act. We can get along without your services." In the environment of this chamber it sounds all right to say that it is the duty of the man to see that the stamps are put on, but in actual practice it will be impossible for him to do so—at any rate, if not impossible it will be impracticable. And if he tried to do it he would be a marked man.

Mr. IRVINE: I am sorry that the right hon. gentleman who has charge of this bill has not seen fit to make the alterations suggested yesterday in connection with this clause. The general fund out of which the insurance will be ultimately paid is of course provided by the state, the employer and the employee, and it is supposed to be an insurance fund. In the clause before us it is assumed that the workman has paid his share, but that the employer has failed to pay into the fund, in which case the employee is deprived of his insurance, and the only thing that is given to him in return is his right to sue his employer in the courts for neglect of duty. I want to emphasize the point made so strongly yesterday by the hon. member for Bow River and others, that the employee should not be penalized in any way for the default of his employer. If he has paid in his share he should have the right to draw from the fund. If there is any individual who has violated the provisions of the act that individual should be prosecuted by the government itself and it should not be left to the employee to take action.

Mr. MITCHELL: The Workmen's Compensation Act is a practical example of the point under consideration. A good many problems would arise under that act if the responsibility were left to the employee to see that the employer discharged his obligation. That responsibility rests with the board, and I think it will be found when this act gets into practical application that the money for the stamps will be deducted from the pay envelope of the employee. That is the way it is done in Great Britain, and a regulation to that effect will be necessary. If you leave it to all these fellows to chase around getting stamps, a good many of them will not get the stamps.

I have had experience with union dues and I know that all the king's horses and all the king's men will not make them do it. It is absolutely unfair to place the responsibility on the employee of prosecuting the employer if he has not complied with the law. I could understand it if the scheme were voluntary; but where you have a compulsory insurance scheme I think the obligation rests squarely on the shoulders of the government.

Mr. GARLAND (Bow River): Yesterday, in connection with this section, I suggested an amendment which would have fully covered the objections taken against it. The amendment would be to delete all the words in lines 33 and 34 and up to and including the word "he" in line 35, and inserting therefor the following: This shall not be taken as reason for loss in whole or in part of the unemployment benefit to which he would have been entitled under this part of the act, and the commission shall be entitled to recover from the employer as a civil debt a sum equal to the amount so lost. That would place the responsibility squarely on the commission and it would do the just thing, the obviously fair thing, in relieving the employee of any possible loss of benefit in whole or in part as might now happen under this provision. There are two serious objections to the clause. Both have been dealt with several times in the committee and frankly I am surprised that the government cannot see the reasonableness of the position we take in this regard. Any possible loss could not be great so far as the commission is concerned, a commission on the job, looking after the trust which is in its hands; and the commission might afford a small loss where the employees could afford no loss at all. I dislike moving the amendment, but if the government does not see fit to propose it I intend to move that amendment.

Mr. MacINNIS: In section 17, subsection 3, we find that the employer is responsible for the contributions of the employee:

> Except where regulations under this act otherwise prescribe, the employer shall in the first instance be liable to pay both the contribution payable by himself (in this act referred to as the "employer's contribution") and also, on behalf of the employed person, the contribution payable by that person, and subject to any such regulations shall be entitled to recover from the employed person, by deduction from his wages or otherwise, the amount of the contributions so paid by him on behalf of the employed person.

Here we find that the employer is made responsible for a certain act, and if the employer does not fulfil that function the employee is supposed to take action against him. It is perfectly ridiculous.

Sir GEORGE PERLEY: I am sorry I cannot agree with the hon. gentleman. As a matter of fact, this clause is put in partially to protect the employee. I do not suppose the hon. gentleman wishes it thrown out altogether.

Mr. MITCHELL: It is all very well to turn a sharp corner like that—I do not mean that in any derogatory sense. I know of no better protection for the employee than the knowledge on the part of the employer that he would be subject to the law if he did not comply with it.

Sir GEORGE PERLEY: So he is.

Mr. MITCHELL: But why leave it to the employee to take the necessary action? On page 28 of the bill we have the punishments set out, but as the bill stands we are simply asking the employee to do something that the government itself should do.

Sir GEORGE PERLEY: If the employer misuses the fund he is subject to the penalties. That is one of the reasons the penalties appear in the bill.

Mr. MITCHELL: I think it is as grave a crime for him not to comply with the act in regard to paying in the contribution. You cannot differentiate between misuses of the funds and failure to make contributions under the act. Take the lumber camps, for instance. How will these chaps run around collecting stamps? It seems to me ridiculous to suggest that the employee should be asked to enforce the law for the government.

Mr. NEILL: The Workmen's Compensation Act as it operates in British Columbia affords a good example. There the procedure is to collect a percentage of the pay roll, and an inspector comes along once or twice a year and checks up the books of the company. He says, "There is so much due from the company." I have known of cases where companies were hundreds and thousands of dollars in arrears. The government gets after them, pointing out that the money should have been paid at the stated time. But it was not paid, and when the slump came it was discovered that the fund created by these payments had been enormously overdrawn because these people had not observed their obligations. In some instances they have gone bankrupt and owed the government thousands of dollars. If we had the sample section as in this bill, some man looking for compensation would be told,

"I am sorry you cannot get compensation because the money was not paid over, although perhaps eventually you may collect it from the employer." The Prime Minister did not agree with me the other day when I gave a parallel instance. If I pay my taxes and the government agent to whom I hand over the money absconds with it, all that is required of me is to produce evidence that I paid it to the official authorized to receive it. The government does not come along and say that because the man to whom I paid the money absconded I shall have to pay it again. The absurdity there is apparent, and the case here is similar, only it is worse, because the man in this instance has not an opportunity to see that the money is sent in. If the workmen went into the office to see about the stamps at the end of each week, and if five or six hundred people came into the office demanding to see the actual stamps placed in the book, they would be called bolsheviks or reds. They would be asked who started it. They might say, "John Jones says that under section 33 we are liable to lose our unemployment insurance." The reply would be that Jones has too much to say and presently he is let out. It sounds all right here to say that it is his obligation, but it is different when you get on the ground. Cases have happened repeatedly under the Workmen's Compensation Act where the employer failed to pay over the money or the company went bankrupt, but the men got their compensation.

Mr. HANBURY: Under the Workmen's Compensation Act in British Columbia the workmen's compensation is recognized as the first charge against the assets of any company in default for any reason. If the company cannot meet its liabilities the workmen's compensation is the first charge, even before deferred wages. Under that act the employee has no responsibility whatsoever and the employer himself collects from the employee certain sums which in turn are handed over to the workmen's compensation board, the board accepting full responsibility for the man's injury. In connection with this particular clause, I am sure that the employer himself would much prefer to have the responsibility of collecting the money and turning it over to the board rather than having to be bothered with his employees coming in and asking for stamps, and having to provide stamps for them, and things of that sort. The government could very well put this insurance on such a basis that it becomes one of the first charges against any company, thus giving the employee the insurance to which he is entitled and which he would not otherwise have. It could not be real insurance if there were any question about it, and on the interpretation the government is placing on the wording in this case, there would be question about it.

Mr. POWER: Following up the argument advanced by the hon. member for Vancouver-Burrard, I would point out that the very essence of the insurance principle is that a number of persons combine together to take the risk. If the risk is to be borne individually, as it appears to be proposed under this bill, there is no longer any insurance, so that that most important element of this whole bill disappears; if there is no insurance, it is no longer an unemployment insurance bill. Insurance in any phase of it implies a number of people dividing up the risk, and when one fails to meet that risk, then the others are called upon to meet it. In this case, all those others are represented by the commission. The commission collects from everyone in order to be able to distribute the benefits, and if I understand this article correctly, the benefits will not be distributed to the insured unless each individual company is in a position to make the payments required under the bill. That destroys every vestige of an insurance principle as contained in this measure. The point raised by the hon. member for Comox-Alberni is in my opinion well taken, and the government should clearly state in the bill that the commission should be responsible for the payment of the benefits. The government may make any other provision it wishes as to how the contributions are to be collected; that is not of great importance, but the important point is that the commission should be responsible for the payment of the benefits which are conferred upon the individual workman by the bill.

Sir GEORGE PERLEY: I suppose we will all agree that the British have had a great deal of experience in connection with unemployment insurance acts. The first one was passed many years ago and has been amended several times. There is now before the British House of Commons a bill consolidating the acts concerning unemployment insurance, and I shall read the following section 19 of that bill:

> Where an employer has failed or neglected—
> (a) to pay any contributions which under this act he is liable to pay in respect of any employed person in his employment; or
> (b) to comply, in relation to any such person, with the requirements of any regulations relating to the payment and collection of contributions;

and by reason thereof that person has lost, in whole or in part, the benefit to which he would have been entitled under this act, that person shall be entitled to recover summarily from the employer as a civil debt a sum equal to the amount of the benefit so lost.

That is a stronger clause than the one we put in. I am reading now from the bill as it is at present before the British house.

Mr. NEILL: It is not passed yet.

Sir GEORGE PERLEY: But it is a consolidation; it is not a new act.

Mr. REID: In Great Britain does the employee lose his benefits if the employer does not comply with the requirements?

Sir GEORGE PERLEY: The provision reads that where an employer has failed or neglected to do certain things and by reason thereof the employee has lost in whole or in part the benefit to which he would be entitled under the act, that person shall be entitled to collect from the employer as a civil debt a sum equal to the amount of the benefit so lost. We are following the British act in putting in this clause.

Mr. WOODSWORTH: In Great Britain they have a very strong trade union movement which alters the situation materially. In this country we have no strong trade union movement, especially in those trades where this legislation would apply, and it would be very difficult for an isolated worker to take action. In England the whole trade union movement would stand behind a victimized worker, and go on a general strike rather than permit an injustice. Here the worker has not that protection, and therefore the state or the commission has a duty to protect the welfare of the individual worker.

Mr. POWER: May I point out without being unkind that at the present time we are legislating for Canada, and in the words of a very great statesman, our concern is Canada.

Sir GEORGE PERLEY: That is quite right, but none of us is above learning from the experience of others. That is true of this side of the house at any rate.

Mr. BURY: May I ask the leader of the house whether the British act has in it any provision enabling the commission to sue employers for contributions in default? In this bill there is nothing of that nature, and what I am afraid of is that in the event of such a default, if the suggestion is made that the commission should sue the defaulting employer, the answer may be: We have no power under this measure to sue him; the only person under it who has power to sue in such case is the workman.

Mr. NEILL: Put in the necessary provision.

Mr. BURY: Yes, but it is not there. I am suggesting that there should be in the bill a provision enabling the commission in such case to sue. If there is no such provision, I am very much afraid the commission will answer that under the legislation they have no power to do so. That provision might be added to subclause 2 of clause 31. After the provision in regard to fine or imprisonment there might be some such clause as this:

And in addition the commission shall be entitled to recover from the employer so in default, as a civil debt the amount of contribution so in default.

I submit that to the leader of the government.

Mr. MacINNIS: The commission has power to sue.

Mr. BURY: Where is that provision?

Mr. MacINNIS: Clause 4, subclause 5:

The commission shall be a body corporate having capacity to contract and to sue and be sued in the name of the commission.

Mr. BURY: That is a very general clause; that may not be sufficient. There is a specific clause in relation to the suing of an employer who is in default; that is the only provision in the bill relating specifically to the suing of an employer in default, and it is one which only gives to the employee the right to sue. I still maintain that such general provision as is contained in subclause 5 of clause 4 is not sufficient for the particular purpose which I mention.

Mr. GARLAND (Bow River): I am inclined to agree with the remarks of the last speaker. There should be in the bill a definite, specific and mandatory clause dealing with the point raised. But that is somewhat aside from this particular question. Under subclause 1 of clause 33 there is a distinct admission that the employee will be subject to possible loss in the case of a swindling or defaulting employer. If the acting Prime Minister will turn to page 8 and read subclause 3 of clause 17, he will find this:

The employer shall in the first instance be liable to pay both the contribution payable by himself and also, on behalf of the employed person, the contribution payable by that person,

and subject to any such regulations shall be entitled to recover from the employed person, by deduction from his wages or otherwise, the amount of the contributions so paid by him on behalf of the employed person.

In the event of the employer defaulting or failing or neglecting to turn in the payments that he has collected from the employee there is in my opinion no sense in penalizing the employee or in asking him to take suit to recover. That is the responsibility of the commission, not of the employee.

Sir GEORGE PERLEY: I have tried to explain that the theory of this legislation is that all these fees or contributions are paid by stamps. These stamps have to be purchased beforehand and affixed to the books and so forth in order to comply with the legislation. Therefore there should not be many such cases arise as are provided for in this clause. The idea of inserting it is to follow the British act giving the employee a chance for an action in the few cases that might arise. I must admit that I have listened for a long time to this debate, and I am interested to hear the views of different members on the subject. I have not close at hand the reference I hoped to have with regard to the application of the British act which is exactly the same. I will try to get it, and if the committee wishes I will leave it for a time and perhaps come back to it again to-day. I want to get the reference from the British act, because if they found it all right in Great Britain—

Mr. WOODSWORTH: It does not follow that it would be suitable here.

Sir GEORGE PERLEY: I do not say it follows, but it is a strong indication that it is wise.

Mr. WOODSWORTH: May I suggest that if we are going to follow the British act we shall have to make a great many alterations in this, and it would be of great advantage to the employees if we did.

Mr. MULOCK: It is a question of principle, whether these men who have part of their wages kept back for protection in case of unemployment are to be protected if unemployed. To keep part of a man's wages back and have him deprived of his rights under this bill through the neglect of the commission or through misappropriation of funds—because it is not the employer's money but the money of the employee—does not seem fair at all. I protest against the section in this form. I absolutely agree with the hon. member for Comox-Alberni.

Mr. HANSON (York-Sunbury): I think there is a misapprehension as to the purpose of subsection 1 of section 33. The reason for this section, as for the similar section in the British act, is to give an additional remedy to the employee. It does not take anything away from the rights of the commission or otherwise to collect from the employer, but in case the employee suffers by reason of the default of the employer it gives the employee an additional remedy which ought to be there for his benefit and protection. My difficulty is that I am not familiar enough with the act to find the section which casts the onus on the commission to collect the premium.

Mr. HANBURY: Is there one?

Mr. HANSON (York-Sunbury): There is in the British act, and I think there is in this. If there is not one such as subsection 2 of old section 20, which provides a penalty for non-payment, there ought to be. Certainly this subsection is put in for the protection of the employee and should remain in; but it should not be his only protection. I am not sufficiently familiar with the act to say whether it is the only protection or not. I suggest that the section stand for the time being and we will find out whether there is a corresponding provision that I think ought to be in the act for the protection of the employee. But I would leave this subsection in.

Mr. ELLIOTT: I do not think that answers the objection, no matter what may be in the British act. The difficulty in this country, is that once an employee sues his employer he ceases to be an employee; that is the practical difficulty. A man is not allowed to stay once he sues his employer. That provision may be workable in England or some other place where the employer has not the same power to discharge his employee that he has in this country, but here it is an absolutely impossible provision, it never will work. The remedy is not worth anything.

Mr. MITCHELL: This afternoon we amended section 27 dealing with the court; that section I imagine was taken from the British act. In analyzing it we found that there were serious objections to it here. Now this comes to the courts again. I see this serious difficulty: assume that the workman has lost, say, $30, he will probably have to pay $50 or $60 or $100 to collect that $30 in the courts.

Mr. BEAUBIEN: If he has Sommerville to act for him it will cost him more than that.

Mr. MITCHELL: Great Britain is a compact country, but in Canada we are dealing with half a continent. I do not know any situation in Great Britain that would be similar to that of a man in a logging or a mining camp in British Columbia, or to activities carried on in out of the way places while probably the bookkeeping is at some central point. To ask an employee to go from a camp in northern British Columbia to Vancouver to see that a stamp is stuck in a book every week would be ridiculous.

Sir GEORGE PERLEY: I cannot agree with the hon. gentleman, but I have not the reference to the British act, so I suggest that this clause stand, and if the committee rises I shall hope to take up this section again later to-day.

Mr. GARLAND (Bow River): Before the committee rises I want to point out that in my opinion this clause in certain aspects should be unnecessary and should not be here at all. This does imply the possibility of loss to the employee after he has complied with the provisions of the act, has actually made his contribution, or it has been deducted from his wages. In such case I object to his being held liable for any loss, or it being incumbent upon him to take suit to recover. In this act we are setting up a commission to handle a trust fund, contributions being made to it by the employer, the employee and the state. If there is a failure on the part of any of those to make the contributions called for it should be the duty of the commission to see to it, not the obligation of the employee. And the employee under no circumstances should suffer any loss of benefit.

I wish to put on record a proposal that I have written out to deal with that aspect, in the hope that the government will take it into consideration. I suggest that that clause should read:

> Where an employer has failed or neglected to pay any contributions which under this part of this act he is liable to pay in respect of any employed person in his employment, or has failed or neglected to comply, in relation to any such person, with the requirements of any regulations relating to the payment and collection of contributions, this failure on the part of an employer shall not be taken as reason for loss in whole or in part of the unemployment benefit to which the employee would have been entitled under this part of the act, and the commission shall be entitled to recover from the employer as a civil debt a sum equal to the amount so lost.

In my humble judgment that is the way that clause should read if it is to do justice to the act and to the employee.

[Mr. Beaubien.]

Mr. PETTIT: I think we are losing sight of the fact that the working man is being paid out of a fund, and he will be paid what he is entitled to notwithstanding any default of the employer.

Some hon. MEMBERS: No, no.

Mr. GARLAND (Bow River): The hon. gentleman has not read the act.

Mr. PETTIT: This is merely an additional remedy.

Mr. HANBURY: If the hon. gentleman can prove what he says it will end the argument.

Mr. PETTIT: But I agree with the hon. member for West Middlesex (Mr. Elliott) that the employee should not be obliged to take action, it should be up to the commission.

The CHAIRMAN (Mr. MacDonald, Cape Breton): This section stands for the present.

Mr. STITT (Selkirk): I wonder if I might make a suggestion before the debate is concluded? It seems to me that the government are right in insisting that the right of the employee to sue for the recovery of any benefit that he might lose ought to be retained. And I believe that the opposition are right in claiming that the onus of recovery ought to lie with the commission. I think the act could be very easily amended to meet both these points if in line 35 the words "the commission" were substituted for the word "he." It would then read:

> the commission shall be entitled to recover from the employer as a civil debt a sum equal to the amount of the unemployment benefit so lost.

And then add these words:

> and in the event of the commission refusing to exercise such right it shall be the right of the employee to sue for the recovery of such sum.

That casts the onus on the commission to collect the amount, and if the commission refuses it still gives the employee the right to use the courts to see that the act is properly administered by the commission.

Some hon. MEMBERS: No, no.

Mr. HANSON (York-Sunbury): Before it stands I would like to point out that under section 18 the governor in council is authorized to provide for this very matter by regulation. So far as I can see it is not in the bill otherwise, but subsection 2 of section 18 provides:

> Subject to the provisions of this part, the commission may make regulations providing for any matters relating to the payment and collection of contributions—

The whole purposes of the act is that the commission shall collect the contributions and have power to enforce them. We are trying to arrive at a fair and equitable conclusion; I want to make the act as workable as possible, though I have not given much consideration to it up to the present. Subsection 2 of section 18 does give the governor in council authority to provide by regulation all that hon. gentlemen are asking for.

Mr. MITCHELL: All but the payment of benefits.

Mr. HANSON (York-Sunbury): Yes, all but the payment of benefits. In subsection 1 of section 33 there is an additional protection for the employee; without question that is the intention of that section of the statute. I agree that probably it will not be very useful, but it is an additional protection and that is why it is put in. But that does not put the onus on him in the first instance to collect the contributions; undoubtedly that onus is on the commission and if it is not there the whole thing ought to be revamped. I do suggest, however, that it is there under subsection 2 of section 18. It may be done by regulation; that regulation may be changed from time to time. It is flexible, and probably that is the best way to do it. No doubt that is what the draftsman had in mind.

Mr. WOODSWORTH: May I ask if this does not contemplate the possible loss of benefits to the employee, through no fault of his own?

Mr. GARLAND (Bow River): Further than that subsection 2 of section 18 deals solely with the question of payments. It reads:

> Subject to the provisions of this part, the commission may make regulations providing for any matters relating to the payment and collection of contributions payable under this act—

That is the manner in which they shall be paid and collected. It does not do away with the difficulty we have raised, of the threatened loss of benefit to the employee in the event of a default on the part of the employer.

Mr. HANSON (York-Sunbury): I think it is a little wider than that.

Mr. ELLIOTT: I do not want to say so, nor do I want to delay the passing of the act, but I think perhaps we are taking an undue amount of time in connection with this matter. I should like to point out to the Minister of Trade and Commerce that there might be something in his argument if the act were other than it actually is. With the act as it is, with subsection 1 of section 33 imposing upon the employee the obligation to sue his employer as the proper procedure, then I submit to my hon. friend there cannot be anything in the general power given in a previous section. Here is a particular power given to the employee to sue, a particular obligation cast upon him.

Mr. HANSON (York-Sunbury): It is not an obligation; it is a permissive right.

Mr. ELLIOTT: No. That is his remedy. That being the fact the general provision to which the Minister of Trade and Commerce has referred will not be helpful at all.

I think hon. members are losing sight of the fact that a fund is established under the bill from contributions by the employer, employee and the state as set out in section 17, out of which the employee is to be paid his benefits.

Mr. PETTIT: If we look at subsection 3 of section 17 we will observe that the employer is given the right to sue the employee in case of default. In subsection 1 of section 33 the employee is given the corresponding right against the employer in case of default on the part of the employer. I agree with the hon. member for York-Sunbury (Mr. Hanson) that the remedy given the employee in section 33 is additional protection for him, for the commission has the right and duty to collect and to sue and be sued.

Mr. ELLIOTT: It would not make for a very happy relationship in either event.

Mr. PETTIT: I agree, but it is a corresponding duty. Whether an additional remedy or not I think with other hon. members that the commission should be the one to take action against the employer and not the employee in case of any default on the part of the employer.

Section stands.

On section 38, subsection (i)—Penalties.

Sir GEORGE PERLEY: Yesterday the right hon. leader of the opposition raised some objection to this subsection, and I have heard him make the same argument in this house in regard to other matters. The right hon. gentleman suggested that no penalties should be prescribed except under the criminal code. I ventured to state yesterday that I thought acts containing similar clauses had been passed while the right hon. gentleman was Prime Minister. He challenged me to name one and I was unable to do so yerterday because I had not the papers before me. I have made some inquiries, however, and I find that in 1927 an act was passed which contained the following provision:

> Any by-law of the commission may impose penalties not exceeding fifty dollars, recoverable

upon summary conviction, for the infraction of its provisions, and may provide for the imprisonment of offenders in default of payment of such penalties for any term not exceeding two months.

That is subsection 2 of section 4 of the Federal District Commission Act, assented to April 14, 1927.

Mr. MACKENZIE KING: That is in default of payment of such fine.

Sir GEORGE PERLEY: I quite agree, and I suggested to the right hon. gentleman yesterday that if it would suit him I would insert those words, but he said that would not alter it, and that he did not want any penalties imposed.

Mr. MACKENZIE KING: That is right.

Sir GEORGE PERLEY: Then in an act providing for the regulation of vehicular traffic on dominion property, assented to May 30, 1930, the governor in council was authorized to make regulations which, among other things might—

(g) Prescribe the penalties to be incurred for the breach of any regulations.

Mr. MACKENZIE KING: That is the governor in council; a different body from a commission.

Sir GEORGE PERLEY: None of these regulations of the commission have any validity until they have been agreed to by the governor in council. It is the same thing exactly; the governor in council must accept the regulations or they have no force at all. Then I have another act, rather similar to the one under consideration. Yesterday the right hon. gentleman spoke about social legislation, and I think the act regarding old age pensions was one of his pets, as I remember it. That act was assented to March 31, 1927, and it includes these words:

(q) The penalties to be imposed for breaches of the regulations, such penalties not to exceed a fine of fifty dollars or imprisonment for three months, or both fine and imprisonment.

That is exactly the same thing.

Mr. MACKENZIE KING: That was laid down by this parliament.

Sir GEORGE PERLEY: And parliament is laying down this commission.

Mr. MACKENZIE KING: No. My right hon. friend does not see my point yet. I am not complaining about there being penalties attached to the violation of the provisions of statutes, but I am saying that this parliament is the body to say what the penalties shall be. What I am taking exception to is the government giving to a commission here and a commission there, to a board here and a board there, the right to define new offences which are punishable by imprisonment, thereby making it impossible for any citizen to know at any given time for what particular offence he is liable to go to jail. Let the government prescribe any penalties they think proper with regard to legislation, but let this parliament say what the offence so punishable is to be, and not some body that may be appointed by this parliament.

Sir GEORGE PERLEY: In the first act to which I referred it was the federal district commission that was given the power.

Mr. MACKENZIE KING: I do not think that is a parallel case. The matter of looking after government property is a very different thing from social legislation of this kind which has to do with workingmen, the payment of their dues and their behaviour before a commission.

Sir GEORGE PERLEY: These penalties cannot be fixed by regulation except by authority of the governor in council. That is the provision in this act, and I submit to the right hon. gentleman that it is very much in line with the other acts to which I have referred.

Mr. MACKENZIE KING: Then my right hon. friend intends to keep the section as it is? I have nothing more to say except that I think he is making a mistake, but it will not be the first mistake that has been made by this government.

Section agreed to on division.

On the first schedule.

Sir GEORGE PERLEY: Yesterday I suggested an amendment to this schedule, and I do not think the amendment was passed.

The CHAIRMAN (Mr. MacDonald, Cape Breton): No, it was not passed.

Sir GEORGE PERLEY: Then perhaps the committee would agree to pass it now.

Mr. GARLAND (Bow River): The acting Prime Minister promised yesterday that he would make a statement in this connection.

Sir GEORGE PERLEY: Yes; I have the statement here, with regard to excepted occupations. This is a memorandum prepared by Mr. A. D. Watson, chief actuary of the department of Insurance, and Mr. M. C. Maclean, of the bureau of statistics:

Excepted Employments

Stated in general terms, unemployment insurance can only be satisfactorily extended

to persons in employments where there is a material degree of unemployment and where the employment is carried on at such places and under such conditions that is it reasonably practicable to adapt a scheme of unemployment insurance with real advantage to the persons insured.

It is rather difficult to know in advance of actual contact with the problems of unemployment in many occupations, especially in a country such as Canada, just how far it may be practicable to go on the start. It is best, however, that the initial difficulties of getting a scheme set up should not be accentuated by bringing in employments which will result in very special problems before the machinery and technique of administration are sufficiently devoloped. A glance at the employments covered by the British scheme of 1911 makes it possible to get a concrete notion of the characteristics of any employment which is fairly easily insurable.

The British scheme of 1911 applied to all manual workers over 16 years of age in the following trades; mechanical engineering, iron-founding, shipbuilding, construction of vehicles, sawmilling and machine woodwork when carried on in connection with an insured trade or of a kind commonly conducted in connection with such a trade, and construction of such works as railroads, docks, harbours, etc. The workers insured numbered about 2,500,000 in the whole of the United Kingdom.

It will be noted that in all employments of the above classes there would generally be—

(i) a more or less fixed place of employment;

(ii) no persons in the occupation working on their own account or on shares;

(iii) a substantial number of workers to one employer;

(iv) a concentration of workers and that not usually in remote places; and

(v) no very marked seasonal fluctuations in work.

Having regard for the administrative machinery of the bill, it will be seen how important these characteristics of employments are. The whole administration centres about the employment office or branch. It is at the employment office that an insured person gets his unemployment book when entering insurable employment and he returns his unemployment book there as soon as he is out of work. While unemployed he will in general be required to register from time to time at the employment office; it is there he will look for information concerning work; and it is there that he will receive the payments of his insurance benefit. There is necessarily a limit to the number of employment offices and branches which can be established, and to be of service insured persons must be relatively near an office.

Furthermore, a measure such as we have in this bill must be enforced both with respect to employers of labour and with respect to employees. There must be no evasion of the requirements of the scheme by either employers or employees. To this end an elaborate inspectional service will be necessary. Inspectors must know where employment is supposed to be carried on, and if the area covered should be too great relatively to the number employed the cost would be prohibitive. In this connection reference may be made to section 34 to get a picture of what will be necessary by way of inspection to see that the act is being properly complied with, and with that picture in mind an examination of excepted employments very generally will show the difficulties of administration which would be encountered from this point of view alone.

Again, some occupations are so highly seasonal, especially in some parts of the country, that if workers therein were insured they would have little or no opportunity to qualify for insurance and obtain unemployment benefit within the normal season.

It was not until 1916 that any enlargement of insurable employment was made in Britain. In that year munition workers and allied trades which would be adversely affected by the termination of the war were brought under the scheme. But it was not until 1920 that the application of the scheme was made fairly general to all wage-earners except persons employed in agriculture, horticulture, forestry, private domestic service and numerous specified employments some of them of a miscellaneous character.

Thus it was only after nine years of experience that the scheme was made about as comprehensive in its scope as the scheme of the bill before the house. By availing ourselves of the experience gained in Britain over the past twenty-four years, it is believed that in Canada it is not a greater experiment than undertaken in Britain in 1911 to start with a scheme about as extensive in its scope as now in operation over there. Likewise, it is believed that it would not be wise to attempt at the beginning to out-run British experience.

In particular, it may be noted that agriculture, including horticulture and forestry, are not yet included in the scheme in Britain. In January of this year the unemployment insurance statutory committee made a report on a scheme of insurance for agriculture. It is clear from that report that new and serious difficulties will be confronted in the administration of such a scheme as recommended. The conditions of wage earners in agriculture in Canada differ so fundamentally from conditions in England that there is no prospect that a similar scheme would be appropriate here. Conditions vary widely in agriculture in different parts of Canada and employment is far more seasonal in some parts than in others. It is in fact only after a most careful survey of the whole Canadian field that a scheme can be devised to meet the needs of agricultural workers. For this provision has been made in section 7 of the bill.

Having dealt at some length with the underlying conditions which make unemployment insurance a practical proposition, and with the difficulties inherent in insuring agriculture, it will perhaps be clear enough the insurance of employment in fishing and logging will require careful and mature consideration. It would be a disservice to persons working in these occupations to bring them under a scheme of insurance almost certainly unsuited to their needs. The seasonal difficulties, especially in certain parts of the country, are most serious.

The insurance of stevedores has given rise to more intractable problems in England than any other class of insured employment. It is intended that the needs of these workers

should also be carefully studied before they are either brought under the general scheme or a special scheme. It should be clear that any scheme applied to them or to any other class of workers will on the whole be for their advantage before being made effective.

Coming now to employment in banking and insurance, which employments are also excluded, it is to be noted that even through this long depression banks and insurance companies have not found reductions in staff necessary. By refraining from making new appointments, the natural decreases in staff through retirements, death, marriage of females, and so on, it has generally not been found necessary to decrease staff on account of reduction of work arising out of the depression. It would therefore appear that insurance for such employment would be somewhat analogous to insurance for a fireproof building; the contributions would be required without any material benefit in return.

If in the light of what has been already said, the other excepted employments are considered with care, it will be found that they have been excluded on sound grounds.

Mr. WOODSWORTH: Mr. Chairman, it seems to me this is a most unsatisfactory statement. It may be all very well from a purely actuarial standpoint, and it may be satisfactory from the point of view that the government does not desire to involve itself in any obligations. It is highly unsatisfactory however from the standpoint of providing for the needs of the unemployed workers. I believe it is fair and reasonable at this point to recall the circumstances under which the unemployment insurance legislation was brought down. We were practically informed that the government was about to bring in a splendid scheme which to a large extent would solve the problem of unemployment among the workers. I am sure it was a shock to the entire country when the Prime Minister upon introducing this legislation stated it would not touch the needs of any men or women now unemployed.

For me it is an equally great shock to find a large number of excepted classes, thereby rendering the legislation of very little service to those who most need it.

Mr. NEILL: The excepted classes.

Mr. WOODSWORTH: Yes. We are told the legislation is based upon the report of actuaries. The report is not based upon the conditions found in Canada, but it is based primarily upon—

Mr. GARLAND (Bow River): Theory.

Mr. WOODSWORTH: No, not theory. It is based primarily upon the original tentative legislation as adopted in Great Britain in 1911.

Mr. HANSON (York-Sunbury): No, no.

[Sir George Perley.]

Mr. ARTHURS: And experience since that time.

Mr. WOODSWORTH: No. Had it been based upon experience since that time it would be modified and there would be fewer excepted classes. We go back to the tentative legislation introduced in Great Britain twenty-five years ago. We ignore absolutely the experience of Great Britain in those twenty-five years.

Mr. HANSON (York-Sunbury): No, that is too steep.

Sir GEORGE PERLEY: That is going a little too far.

Mr. WOODSWORTH: I think the acting Prime Minister, in the very memorandum he read to us, has shown that it was not wise for us in Canada to modify and amend the legislation as it has been modified and amended in Great Britain.

Mr. GARLAND (Bow River): That it was not wise to bring it up to date.

Sir GEORGE PERLEY: Will the hon. member excuse me, while I read part of that which I read previously:

> By availing ourselves of the experience gained in Britain over the past twenty-four years, it is believed that in Canada it is not a greater experiment than undertaken in Britain in 1911 to start with a scheme about as extensive in its scope as now in operation over there.

Mr. HANSON (York-Sunbury): Yes; it was a perfectly absurd statement for the hon. member to make.

Mr. MACKENZIE (Vancouver): That is not correct.

Mr. WOODSWORTH: Does the acting Prime Minister mean to say that our legislation as it appears before us is almost as extensive as the British legislation?

Sir GEORGE PERLEY: That is what the memorandum says.

Mr. WOODSWORTH: Then it is very far from being in accordance with the facts.

Mr. HANSON (York-Sunbury): That is a matter of opinion.

Mr. WOODSWORTH: I believe I am right, but if I am wrong I am subject to correction. I state the legislation we have before us to-day is based to a great extent on the original tentative legislation of Great Britain in 1911.

Mr. MACKENZIE (Vancouver): With regard to the exceptions, yes.

Mr. WOODSWORTH: Yes; of course, we have introduced legal matters, and so on, to bring it up to date, but with regard to the point under discussion we are back where Great Britain was twenty-five years ago. We are accepting what to them was tentative legislation. In 1916 Great Britain, faced with a serious unemployment crisis, broadened her legislation. Again, in 1920, nearly all the workers with the exception of those engaged in agriculture were brought within the scope of the legislation. Now they are bringing in even those agricultural workers. That is the development which has taken place in Great Britain in the last twenty-five years. But in this country we seem to be satisfied with the first faltering steps Great Britain took. We disregard the experience she has had in these past twenty-five years. While as regards social legislation we may be twenty-five years behind Great Britain, I do not think we are twenty-five years behind her so far as social conditions are concerned. We have just as much need for advanced legislation as has Great Britain.

I would point out, further, that the memorandum read by the acting Prime Minister calls special attention to the differences between conditions in Canada and those in Great Britain. We have greater irregularity in our labour; we have certain seasonal fluctuations; our workers live long distances from public offices. I recognize that these are difficulties. Of course, it would be a great deal easier if we lived in a small compact island. It would be a great deal easier if the greater part of our population were engaged in industrial work. It would be a great deal easier if we had a more equable climate. It would be a great deal easier if we had not the divisions of the nine provinces. It would be a great deal easier if our workers lived in the cities instead of on the far flung frontiers. But then we are not dealing with a situation of that sort; we are dealing with Canada as it is, a Canada in which a great part of the population is still engaged in agriculture and the other primary industries and is likely to be so engaged for a good many years to come. We are dealing with a country that extends between three and four thousand miles; a country in which there are these various provincial difficulties; a country in which the workers are scattered in construction camps, logging camps, mining camps, in the most remote districts. I submit therefore that this legislation should not be brought down to suit conditions as they existed in England twenty-five years ago but to suit conditions in Canada in this year, 1935; and any legislation that does not do that is hardly worth the paper it is written on.

I do not want to go into all the details of these excepted employments, but I would urge the necessity for dealing with those engaged in agricultural work. We have had in the past a very large army who were engaged part of the time in our cities and part of the time in rural work. In fact, I do not know how we could have managed in the past to harvest our crops in the west unless we had had the assistance of large numbers who were for part of the time engaged in logging or construction work or farm work in other areas. Hon. members will recall the excursions we used to have from east to west, but as a result of combines and other machinery, that has not been quite so necessary in recent years. But we still have large numbers who are engaged for part of the time in other work and part of the time in agriculture, and any scheme of unemployment insurance which is to be at all adequate should look after this class of people, and should seek to dovetail one occupation into the other. I do urge that we shall not begin to solve the problem which ought to come within the scope of an unemployment insurance scheme until we look after these people who at least part of the time are engaged in agricultural or horticultural or forestry operation.

I come now to fishing. Admittedly the situation differs widely on the west coast from the situation which we find in the east or in some of the lake districts in the central part of the country. Here again there is great necessity for some provision to be made during off season for those engaged in fishing. It is not always the same kind of fishing; one group of men are engaged in one type of fishing at one season and in another type of fishing in another season. And some are engaged in fishing for part of the year and during another part of the year in the tillage of their own soil. Surely this class of people should be cared for. We have already had a slight enlargement of the scope of the act with regard to lumbering and logging. I do not think I need remind the committee that the conditions vary very greatly in British Columbia from those that prevail in the northern sections of the central provinces and again from those in the maritimes. But logging is one of the primary industries of the country; in the past it has been one of the outlets for the unemployed during a part of the year. It seems to me that anything like a proper scheme of unemployment insurance, adequate to meet the needs of the country, ought to look after all those engaged in that great primary industry.

I will not discuss in detail the occupations of hunting and trapping. These may present a greater difficulty because of the character of

the occupation; but certainly hunting and trapping—and I would include prospecting—ought to come within the purview of the unemployment insurance commission. Then there is transportation. We have very large numbers of people engaged in transportation by water in our ports both east and west. Above the main door of this building we find this reference to the sea:

> The wholesome sea is at her gates
> Her gates both east and west.

But so far as this legislation is concerned we are excluding the people that go down to the sea in ships; we are excluding them almost entirely from the scope of our legislation. I would like to refer particularly to stevedoring. Undoubtedly there was a great deal of difficulty with this class of work in England, but they did manage to a large extent to regularize it. It is different with us, because all our ports are not deep water ports. In Montreal the workers are engaged in stevedoring for part of the year and during the other part of the year they find other occupations. A commission charged with the functions which this commission will perform ought to take into their cognizance the whole of the stevedoring business and seek to dovetail one occupation into another. Otherwise what will these people do? Are they to be on public charity for a part of the year—and this through no fault of their own? I think it is absurd. In the deep water ports, where the regular steamers ply, we might succeed largely in regularizing the stevedoring occupation. As it is to-day, however, it is casual work that attracts the unemployed from other parts of the country, and unless the situation is dealt with there will be trouble in the days to come.

I am not at all convinced by what the memorandum states with regard to those engaged in the banking, mortgage, loan, trust, insurance and other financial businesses. What does this memorandum say? It says that owing to the peculiar conditions of the last few years a great many of these people have had to be turned off and that we have pretty nearly reached rock botton, or something of that kind. But that is no reason why those engaged in these occupations to-day should not be looked after. We were told in the earlier part of the memorandum that the underlying principle was that there must be some material degree of employment, regularity of employment. Surely bank clerks and those engaged in insurance companies ought to come under that head. I cannot see, according to the very principles enunciated in the memorandum itself, why these should not be included. Then we come to unemployment in domestic service, where the unemployed person was employed in clubs or in any business carried on for purposes of gain. Again, the same thing applies. Why should people in domestic service not have some protection? I ask the acting Prime Minister why he has not followed the British lead in this regard, whether he would take the trouble before this is passed to study the British act and find out what are its provisions, according to its latest amendment, and adopt these provisions in that regard just as much as in regard to the other clause we were discussing a few minutes ago. The same with respect to professional nurses and probationers training in the hospitals, and teachers of all kinds. Why should not these come under an unemployment insurance scheme? A great many of them have no unemployment insurance schemes of their own. And why not include many of our civil servants who do not come under the superannuation act and hence cannot get any benefit therefrom? Why should not these classes in our community come under the scheme? I can understand that if the scheme is to be on a purely actuarial basis there may have to be a gradation in payments. In fact, I am not at all sure that a flat rate is a fair way of collecting, because there are some who are receiving a comparatively high income and some a very low income. Why should they all have to pay a flat rate? I cannot see the justice of that. If it is to be a pure insurance scheme, the benefits ought to be in proportion to the amounts paid in. We were told yesterday that we ought to be willing to be our brother's keeper. If we are to go on the principle not of an absolutely sound insurance scheme but rather on the more general altruistic basis of the strong sharing the burdens of the weak, why do we not include in this scheme the poorly paid classes in the community or those who are more frequently out of work? In this connection I might as well read to the committee a statement which I promised to submit—a statement received a few days ago from the executive board of the All Canadian Congress of Labour. They are urging that the bill be amended in two important respects:

> First, it is submitted that the rate of contributions provided in the bill as introduced is beyond the means of workers receiving low wages and that the graduation according to age and sex should be replaced by a scale of contributions according to earnings.
>
> Comparison may be made between the case of a woman earning, say, $125 a month in a railway office and that of a railwayman, who, through demotion due to staff reduction, is earning only $45 a month in full-time employ-

ment. It is felt that the requirement to pay a dollar or more per month out of wages which may be as low as from $45 to $75 a month will inflict a real hardship on many workers; it is certain that it will place beyond their reach the protection which they might secure by membership in a labour union, by rendering it impossible for them to pay union dues.

Second, it is submitted that the qualifying period for benefit under the unemployment insurance provisions of the bill should be reduced from forty to twenty-six weeks, at least at the inception of the scheme, in order to make the benefits available without unreasonable delay. Should this change disturb the actuarial basis of the scheme it is felt that the present stressful conditions would warrant temporarily a larger measure of assistance for the fund from the public treasury, it being recognized that such additional assistance would be largely compensated by the reduction in the cost of relieving destitution.

It is not my purpose at this point unduly to labour these arguments, but I wish to put before the committee the seriousness of limiting the scheme as the government has done. Had the expectation of the workers not been so buoyed up, the situation would not perhaps have been so bad. When I was a boy, we used to keep hens and when we heard a great cackling in the henyard, we went out feeling quite sure there was an egg laid. In this case there was a tremendous cackling long before the egg was laid. Now when we come to look for the egg, it is such a tiny peewee of an egg, we hardly know whether it is worth anything or not. In all seriousness, I presume the government is in earnest in bringing down a bill which will help the situation in Canada, but if in our act we adopt a twenty-five year old model, that does not begin to touch the situation which actually faces us. I repeat we ought to face not the situation which they faced in England long before the war, but that which faces us to-day in the post-war period. We should recognize the very serious depression with which we are and may be confronted for a good many years to come.

Sir GEORGE PERLEY: I am not claiming that this bill embraces as much as does the present British act, but the hon. gentleman is entirely wrong in claiming that this bill goes no further than the original British act that was passed as far back as 1911. A memorandum I have states that it was only after nine years of experience that the British scheme was made about as comprehensive in its scope as is the bill at present before our house. In other words they started quietly and by experience they learned and made changes in their act. That is what we are doing to-day. This bill is brought in for the purpose of covering as many of the people of this country as possible, but it is not final; it is not supposed to be a measure that will not be amended to advantage by succeeding parliaments. I hope it will be so amended; we want to make it as effective as possible, and if the hon. gentleman thinks no egg was laid, he ought to get his glasses enlarged so that he may have a better chance of understanding the matter. He has overlooked also the clause in the bill giving authority to the commission to consider matters of this kind, that is the question of excepted employees. Clause 7 reads:

> In addition to the powers and duties of the commission as otherwise provided by this act, the commission shall, as soon as practicable after appointment, undertake investigations for the purpose of making proposals to the governor in council for—
>
> (a) providing unemployment insurance for the employments excepted from the operation of part III of this act, or for any of them, either by extending thereto the provisions of that part, with such modifications, if any, as may be found necessary, or by special or supplementary schemes.

In other words, it is definitely contemplated in this bill that it is not a final measure and that the commission shall look into any questions which may be raised regarding excepted types of workers and make recommendations to the governor in council, so that when parliament meets again, this bill may be amended if it is found advisable to do so, or if there is any way in which it can be improved. The hon. gentleman, very wisely, voted for the second reading of this bill which is a good one. It may not go so far as he would like, but at all events it is the beginning of a first class piece of legislation which is for the good of the country. I think he makes a mistake in criticizing so strongly the fact that we are not trying to go too far at the beginning, but want to make our way with certainty as will be done under this bill.

Mr. MacNICOL: I want to make a few comments on the remarks made a few minutes ago by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I certainly do not like his attitude in the way of making a vigorous endeavour to belittle this bill. I have spoken to a great number of foremen and workmen in industry with whom I am acquainted, and he is not voicing the opinion of the ordinary workingman in reference to this measure. Their endorsation of all its clauses may not be one hundred per cent, but in general the average employee in industry—I cannot speak for those outside it, but I can say something for those inside it—endorses the present legislation.

The hon. member made some comparison of the number covered by the present bill with those covered by the act adopted in Great Britain in 1911. I do not think such a comparison is at all fair. The hon. member knows very well that the 1911 British act covered about 2,225,000 to 2,250,000 out of 15,000,000 employees. The present Canadian bill covers 1,701,834 out of less than 3,500,000 employees. In that particular I maintain the present Canadian bill, which I quite agree might be amended as time goes on, compares very favourably with the first British act of 1911. My hon. friend therefore is entirely wrong if he intimates that the number covered by the present Canadian bill is not much greater in percentage than that covered by the first British act of 1911. The Canadian bill covers a little over fifty per cent of all those employed in this country to-day, whereas the British act of 1911 covered as I said a moment ago, about 2,225,000 out of 15,000,000 workers.

The hon. member also said something about a flat rate of contribution. A flat rate may have some merit or demerit, but so far as I can ascertain only two countries to-day have a sliding or percentage rate based on wages. Those countries are Germany and Poland, in which two countries the rate is made by a percentage of the wages. For instance, in Germany the employer pays three and a quarter per cent and the worker pays three and a quarter per cent on wages. In Poland the employer pays one and a half per cent and the employee pays one-half of one per cent. In other countries with contributory insurance schemes, for instance, Queensland, Austria, Bulgaria, Italy and Great Britain, the rate is a flat rate as is proposed in the bill for Canada. The rate is not the same in the countries I mention, but it is after the manner of the Canadian rate. Therefore the contributions proposed in the Canadian law conform to those of the nine states which have compulsory contributory unemployment insurance excepting Germany and Poland.

Just toward the close of my hon. friend's remarks, he said something about the present bill being comparable to a very tiny egg. The hon. gentleman is wrong in that. Workers in industry in making comparison of the scope of the Canadian bill with that of the bills of other countries find that the proposals made in our legislation compare very favourably with the best schemes in the other countries, and the two best are those in Great Britain and Germany. And further, to the British act, adopted in 1911, there have been twenty-five or thirty major amendments since, as well as minor revisions, and I believe there is a bill before the British house now either adding to or amending the act. I feel that this present bill is a good start. It may not be all we want, it may not be all that is hoped for, but as time goes on we shall watch its operations. I shall do so very closely, and if in my contact with industry and managers and foremen and employees I see that it can be improved, I shall gladly support any necessary amendment in the future. But I feel that the hon. member who claims to represent labour should not take the vigorous attitude he does against this act. What the workingman wants to-day is to get the bill enacted, so that the 1,700,000 odd whom it embraces may sooner have an opportunity to participate in its benefits in the event of their being unfortunate enough to be laid off. I would like to see the hon. member take a different stand and support as strongly as he has recently denounced what certainly will result in a very great benefit to the 1,700,000 people employed in industry and over vocations covered by this measure.

Mr. WOODSWORTH: May I say to the hon. member for Toronto Northwest, that I am at this time speaking particularly of those who are excepted under the act. The merits of the act itself I am not discussing at the moment, but I am urging that its scope must be extended if it is to be at all adequate to the actual needs that now exist. With regard to the figures given by the hon. member, may I venture to read a paragraph from a document, which I think members of the house have received, issued by the board of governors of the Canadian Council on Child and Family Welfare. It is dated February 27, 1935, and is entitled:

A national relief plan, an urgent need.

With regard to unemployment insurance it says:

The proposed measure necessarily excludes, in its present stage, the seasonal and casual employments subject to heavy lay-offs—an estimated number of 860,000 wage workers. In addition, however, to this group and the 1,700,000 eligible for insurance, it should be recalled that Canada has roughly 1,350,000 more persons gainfully occupied—employers, merchants, workers on their own in industry, agriculture, business and the professions, not at all contemplated as insurable. Of these, 728,000 are farmers. Thus 1,700,000 of the gainfully occupied population will be eligible for insurance, and a total of 2,260,000 not covered by any such measure. This means that social assistance for dependents in this great group must be provided indefinitely through other funds and methods than state insurance.

I am pleading that instead of leaving these people on the dole they should be included in an unemployment insurance scheme.

Mr. GARLAND (Bow River): From the document read a little time ago by the acting Prime Minister it would seem that this government in drawing up its present bill had accepted, as far as the British act is concerned, rather the restrictive and conservative aspects than the more up to date clauses. I could submit particulars to the acting Prime Minister, and probably will do so at the proper time, but I have already directed attention to some of the anomalies of the bill, such as the differences as to days of benefit and the number of contributions to be made. But in my view, there is one difference that stands out above all others, and reflects very seriously on this administration. Before the bill goes to third reading I should like to have a statement from the acting Prime Minister as to why the same privilege was not extended under this bill to disabled ex-service men that is extended under the British act. If the acting Prime Minister has read the British act he will realize that under it a person who during two years is in receipt of pension in respect of disability contracted during the late war is able to draw benefits after he has made only ten contributions, instead of the thirty provided for in the case of others. Frankly I regard that oversight, if it be that—I am putting the kindest possible interpretation on it—as an extremely serious one. I think after the reminder,—shall we call it?—that we had last night at the theatre, to which most members of the committee went, of the tragic sufferings that the boys endured over there, we should recognize in all measures, and particularly a measure such as this, a special obligation to them. I am certain that the government must have overlooked this, and I ask the acting Prime Minister to take it into consideration before the bill comes up for third reading. I would like to have the same privilege granted to ex-service men in Canada suffering from disability that is granted in Great Britain.

Sir GEORGE PERLEY: There is no one in this house who has a greater sympathy for the ex-service men than I have. I was in England and in France a great deal during the war, and though a non-combatant I think I know more about the sufferings they endured than most men. But this bill is not intended for the benefit of ex-service men, as I understand. I call the attention of hon. gentlemen to the fact that we are treating the ex-service men in Canada a great deal better in the matter of pensions than they are in the old country; and I am glad we are. We are also looking after them in other ways through the Department of Pensions and National Health.

Mr. MACKENZIE (Vancouver): And war veterans' allowances.

Sir GEORGE PERLEY: So I submit that, while I am sure I have as much sympathy with the ex-service men as the hon. member who has just spoken can possibly have, this bill is not intended for the purpose of looking after them; we are doing that in other ways.

Mr. WOODSWORTH: May I ask the acting Prime Minister about that class of ex-service men who are not disabled but are thrown on the labour market at this time of great unemployment? They are not receiving the help that disabled ex-service men receive, and on the other hand they do not come under the provisions of this bill.

Mr. GERSHAW: I was very glad to hear the acting Prime Minister say that railway men who work only three days a week will come under this act and get unemployment insurance. I would like to mention also that I have had several communications from municipal employees, saying that they desire to come under this act. They have no group insurance or retirement plans of any kind. Their salaries are usually too small for them to save much, and I have been asked to mention at this time that many of them are desirous of coming under the act.

Sir GEORGE PERLEY: I think they come under the act.

Mr. MACKENZIE (Vancouver): No, they are excepted. See page 32.

Sir GEORGE PERLEY: That is true. Well, I think that would be a matter for the commission to take up under the clause we were considering a few moments ago. This bill is only a first attempt to do a good thing, and we do not think for a moment that it is final. The commission will have to consider all these cases.

Amendment agreed to.

First schedule as amended agreed to.

On the second schedule—Weekly rates of contribution.

Mr. WOODSWORTH: I should like to ask why the discrimination is made between men and women?

Mr. MACKENZIE (Vancouver): They are the same under the British act.

Some hon. MEMBERS: Carried.

Mr. WOODSWORTH: I am asking the question in all seriousness, Mr. Chairman. There is a discrimination here in the amounts to be asked for from the women and also in the benefits to be paid. I ask the reason for the discrimination. We were told that this legislation is being introduced in order that we may implement the promises made under the treaty of Versailles, but under that treaty we were told there should not be discrimination according to sex. I ask why this discrimination is introduced here.

Sir GEORGE PERLEY: I am sorry that I cannot agree with the word discrimination, but as a matter of fact we all know that the remunerations paid women are not as large as those paid men, and they are not as well able to make contributions as the men are. Therefore they are called upon to make smaller contributions and they receive smaller benefits.

Mr. WOODSWORTH: Is it not true that, as in the memorandum I read a few moments ago, to-day a good many women are receiving more than certain groups of men?

Sir GEORGE PERLEY: Quite so, but those are the exceptions. We must go by the general average.

Mr. WOODSWORTH: I admit that those are exceptions, but a flat rate is being charged all men even though there are very great variations in the amounts being received, so I cannot see that that principle applies in the matter of discriminating between men and women. Then on the other hand I take it that these amounts are supposed to be equal to the needs of the people, and I submit that when it comes down almost to relief—because that is practically what it amounts to—a woman requires just as much on which to live as a man requires. I do not see how a woman can be expected to live on less, and I do not believe there should be any discrimination of this kind.

Second schedule agreed to.

On the third schedule—Rates of unemployment benefit.

Mr. MITCHELL: I would like to ask the acting Prime Minister what is the basis of this schedule. There is a daily rate and a weekly rate. Let us take a man working a five day and forty hour week, as many are working at the present time; would he be paid on a weekly basis of $6 a week or $5 a week?

[Mr I. A. Mackenzie.]

Sir GEORGE PERLEY: If he has complied with all the provisions of the act he will receive $6 a week when he is unemployed. Surely there can be no question about that.

Mr. MITCHELL: Take the case of the miners who work twenty-four hours a week, while other trades work forty hours a week. Do I understand that their week will be considered a six day week notwithstanding the fact that they work a five day week? There is a differentiation in the schedule.

Sir GEORGE PERLEY: I understand so.

Mr. MITCHELL: I do not want an understanding; I want a definite reply.

Sir GEORGE PERLEY: That is the way I read it; that is what it says:

Mr. MacINNIS: I have given some little thought to this matter, and I have come to the conclusion that the weekly rate is paid for a week's time, and that where there are odd days the amounts for those days would be as stated.

Mr. HANSON (York-Sunbury): That is it exactly.

Mr. GARLAND (Bow River): I should like to ask the acting Prime Minister if he thinks a dependent child sixteen years of age can be maintained on ninety cents a week.

Sir GEORGE PERLEY: This is a scheme of insurance which has been worked out on an actuarial basis; it is expected that the money received will take care of the money paid out. That is the basis on which this scheme has been drawn up, with these various types of benefits.

Mr. GARLAND (Bow River): I have only this to say, with the kindliest feeling in the world, that I hope that actuary some day will have to live on these benefits, and I hope the acting Prime Minister will not.

Mr. HANSON (York-Sunbury): That is very small.

Mr. GARLAND (Bow River): No, it is not. It would be very small if my hon. friend opposite had to live on $6 a week for himself and ninety cents a week for a child.

Mr. HANSON (York-Sunbury): May I point out that in England the corresponding amount is sixty-one cents.

Mr. GARLAND (Bow River): I have that here also, but the hon. gentleman is not getting away with anything like that. I say the benefits are very small.

Mr. HANSON (York-Sunbury): I did not say small; I said smart. I think you are smart.

Mr. GARLAND (Bow River): Yes, I think I am, in comparison with this government.

Mr. WOODSWORTH: I do not think the reply of the acting Prime Minister is quite right. He suggests that this is actuarially sound, that it is on the basis of a certain percentage being contributed by the employee, a certain percentage by the employer and a certain percentage by the state. But if the sum total of these three contributions is not sufficient to enable these people to live then it seems to me it is at this stage that we should ask whether or not that basis is correct. I do not see why the state should not contribute double or treble this amount if the scheme as actually worked out does not provide a sufficient living during periods of unemployment for those who are supposed to draw benefits. It is all very well to say it is on an actuarial basis and silence criticism in that way, but we have to get behind that and ask the basis of the actuarial computations. The basis is that the state, the dominion government, is giving very little indeed, and the greater part of the burden falls upon the worker and the employer. Undoubtedly the employer will pass his part on to the general public so that the state, as an organized body, is not contributing very much. The result very well may be that the people benefiting in this way will receive considerably less than the people actually on relief. It is going to be a serious state of affairs if the people benefiting under the unemployment insurance scheme will be in receipt of less than the people who have to depend entirely on charity. It is not going to commend the bill or even its extension to the favourable consideration of the public.

Mr. GARLAND (Bow River): The point raised by the hon. member for Winnipeg North Centre is exactly the one we should take into consideration at this stage. My own impression of this bill is that it is going to have the general effect of reducing relief rates in cities where labour, highly organized, has succeeded in securing a fairly adequate measure of relief. Under this bill the total allowance, provided the full scale is drawn, will be $6 a week or $24 a month for a man. For his wife it will be $2.70 a week or $10.80 a month. He will receive ninety cents per week per child, and if he has three children that will amount to $10.80 a month. Then the total allowance under this scheme would work out at $45.60 a month; that is the total benefit procurable by a family of five in which the father is the sole gainfully employed person. The present rate of relief to unemployed families of five in the city of Edmonton, where labour is well organized, is $53.75, with no contribution being made. In the city of Calgary it is $53.70; in Winnipeg it is $50.99, and in Toronto it is approximately $54. This will give the acting Prime Minister some idea of the possible effect of this legislation. After all what attraction is it going to have for the workers of this country if they find that they have been able to secure as much or more without making contributions as they will be able to secure under this scheme after contributing for two years? Frankly I believe the benefits under the scheme are altogether too low; I think they are quite inadequate to maintain a family in anything like decency.

Sir GEORGE PERLEY: I would ask the hon. gentleman if he does not think the keeping of self-respect is worth a great deal.

Mr. GARLAND (Bow River): Undoubtedly.

Sir GEORGE PERLEY: If they are unemployed they will draw money to which they have a right. It is quite true it will not keep them in any great luxury, but I know many families throughout this country now who are not on relief and who have less than $45 a month on which to live. They are only too happy to keep off relief, because they are independent and keep their self-respect.

Mr. WOODSWORTH: May I ask if judges contribute to their pensions? I fancy they manage to maintain their self-respect even if they do not do so. I think to-day, when we have conditions existing that make it impossible for a great many people to get work with any regularity, there is no great disgrace in receiving money from the state when the state cannot possibly provide work.

Sir GEORGE PERLEY: The hon. gentleman must not misunderstand what I said. I agree that it is no disgrace; I am not suggesting that. I will ask the hon. gentleman, however, whether he would not prefer to have an amount given him as of right rather than to receive it from the state, even though no one would consider it a disgrace.

Mr. WOODSWORTH: Of course I would prefer to have it by right, but if we in this house pass a measure providing that if a man cannot get work, through no fault of his own, he shall receive a pension, then I do not consider that he would be incurring any disgrace by taking that pension.

Mr. GARLAND (Bow River): But surely if it enters at all the question of right should entitle the man to live in decency, and if the effect of this bill is going to be to reduce the standard which already is below the level of decency it does not come within the ambit of right, according to my understanding of what a man is rightfully entitled to.

Mr. MacINNIS: I think the acting Prime Minister has put himself out of court by his own statement. He asked if it would not be better to have a man receive money by right rather than, as he would suggest, receive it by charity as he does now—

Sir GEORGE PERLEY: I did not say by charity.

Mr. MacINNIS: If it is not by right the implication is that it is by charity; we might as well put it plainly. What else can we say? Give me another word to use and I will use it. The position is that after due consideration by charitable institutions, municipal and otherwise, the conclusion is reached that it takes a certain amount of money to keep a family alive, a certain amount of subsistence. Then if the amount received is below the stated amount, the family in question is living below subsistence level or the amount coming to them by right. Surely if we are going to give them something by right—if they are going to live on their self-respect—we should give them something by right, which would afford them a better standard of living than they now receive through what the acting Prime Minister is pleased to describe as charity.

Mr. HANSON (York-Sunbury): He did not use that word; the hon. member has no right to use it.

Sir GEORGE PERLEY: I did not use the word "charity"; would the hon. member please withdraw it?

Mr. MacINNIS: I am waiting for the acting Prime Minister to give me a word to use. The implication is there. If they are not getting it by right, then they are getting something to which they have no right. What is the term? What term will you use? They have no right to relief?

Sir GEORGE PERLEY: Certainly they have.

Mr. MacINNIS: All right, then they have a right to it. Why should the acting Prime Minister say that the people of this country who are receiving relief are receiving something to which they are not entitled? I would like to have him withdraw that statement.

[Mr. Woodsworth.]

Sir GEORGE PERLEY: I have nothing to withdraw. All of us regret that these relief measures have to be passed, but we agree on the fact that the people must be provided with sufficient food, clothing, and so on, as is being done by relief. Of course the man who has an insurance policy gets his money in a slightly different way, at all events.

Mr. HANSON (York-Sunbury): It is not a relief measure at all.

Mr. WOODSWORTH: The acting Prime Minister suggested that the man who drew it without contributing something directly was not maintaining his self-respect. That is the reference to which I object. When I think of men and women I know personally and have known for years, people who have given their best years towards the building of our country—our railroads, our cities— and when I am told that those people can hardly accept help and maintain their self-respect because they have not contributed to some fund or other, I say such a statement must not be allowed to remain unchallenged.

Mr. POULIOT: Before the section is carried may I make this one observation, namely that the discussion which has taken place this afternoon proves once more just how carelessly this legislation was drafted.

Third schedule agreed to.

On section 33, subsection 1—Civil proceedings by employee against employer for neglect to comply with act.

Sir GEORGE PERLEY: I am sorry I cannot agree with the argument concerning this subsection put forward by hon. members opposite, and I must ask the committee to pass it as it is. As a matter of fact hon. members will note that section 18 provides for payment to be made by revenue stamps. The governor in council is to prescribe the condition under which those revenue stamps shall be issued and sold. It is the duty of the employers to see that the stamps of the employees are affixed. As I understand it section 33 (1) gives the employee an additional right, namely the right to sue in the event the money is not paid over. Then as I understand it subsection (2) of section 18 gives power to make regulations in connection with the payment of contributions, inspection and everything else that is to be done. Regulations may be made whereby the books may be made available to the employee once or twice a month, and even put the duty on the employer of showing the books. The object is to be sure that the plan is carried out strictly and carefully. The experience in the mother country which has

included in its act a section similar to section 33 (1) leads me to the belief that we ought to have it in our act. As provided under section 31 a penalty can be enforced by the commission against an employer, and then under section 33 there is a further remedy which would be hardly necessary if the other provisions were properly enforced. It is very necessary to make sure that the stamps are put on and the collections properly made. I believe that the British legislation has had a similar clause since 1920. The real safeguard is in seeing that the provisions are enforced, and imposing penalties upon those who fail to live up to the provisions of the act. For these reasons I do not see my way clear to accept the amendment offered by the hon. member for Bow River.

Mr. MITCHELL: I wish to protest against asking the working man to go to the court when, in fact, the government should do so. I do not care what the arrangement is in England; I have had some experience in this country in connection with compensation, and I believe we should keep the working man out of the courts. The more we do so the better it will be for him. In my judgment it is unfair to ask an employee to do a job which should be taken over by the government. An employer may break a law under circumstances over which an employee would have absolutely no control, but we say to the employee that he must sue his employer. Manifestly in such event the law would have been broken by the employer.

Sir GEORGE PERLEY: I suggest that the subsection affords an additional right to the employee, because if the regulations are carried out and the stamps placed on the books no difficulty will arise.

Mr. MacINNIS: I am sorry the acting Prime Minister has not seen fit to accept our suggestion. First we take away from the employee the right to make his own contribution. We pass that over to the employer. Then if the employer does not comply with the act we say it is up to the employee to take civil action against the employer to force such employer to do what the act states he must do. That provision is supposed to apply to the individual employee, the man working here or there. But suppose employers in all industries refused to comply with the act; would all employees have to take action or would the commission take action? If the commission would take action in the event of the employers refusing to carry out the act as it affects all employees, why should not the commission take action when the provisions of the act are violated, as affecting one employee? In my opinion all the employers have to do to make the act inoperative is to refuse to make contributions for employees, and let the employees sue.

Mr. GARLAND (Bow River): Mr. Chairman, I am going to move the following amendment:

That section 33, subsection (1) be amended by deleting all the words in lines 33 and 34, and up to and including the word "he" in the 35th line thereof and inserting therefor the following:

"this failure on the part of an employer shall not be taken as reason for loss in whole or in part of the unemployment benefit to which the employee would have been entitled under this part of the act and the commission"

And by deleting the words: "of the unemployment benefit" in the last line of the subsection.

It would then read that the commission would be entitled to recover from the employer as a civil debt a sum equal to the amount so lost.

Amendment (Mr. Garland, Bow River) negatived: yeas, 17; nays, 22.

Mr. MACKENZIE KING: I was paired with the Prime Minister. I would have voted for the amendment had I not been paired.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). I would have voted for the amendment.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I not been paired I would have voted for the amendment.

Mr. GARLAND (Bow River): This is not in order, Mr. Chairman. Hon. gentlemen are virtually registering a vote which is not registrable in committee. I am anxious to have my vote registered if that is to be the procedure.

Sir GEORGE PERLEY: The hon. gentleman is quite right. It has not been customary for hon. members to rise in committee and state how they would have voted had they not been paired. There is no record either in Votes and Proceedings or in Hansard of the names of those who have voted one way or the other.

Mr. POWER: On the point of order raised by the leader of the house, may I point out that this same point was raised three or four years ago. Pairs are not officially recognized in this house in any event. So far as most of us are concerned, the pair is simply a gentleman's agreement made by one member with a member on the opposite side of the house, which provides that when one is unable to vote

or is absent the member paired with him shall not exercise his right to vote. Personally I have always maintained that my pair is a special agreement with the member opposite and I may declare it or not in my discretion. It has nothing to do with any arrangement made between the whips. On one occasion the question was raised—I forget by whom—and the right hon. gentleman who is now leading the house agreed that pairs were not official and that as a matter of fact it was not the business of the house to deal with pairs. I submit that in a matter of this kind any member who wishes to do so has the right to explain why he remained seated. The reason I remained seated is that I have an arrangement with the hon. member for Muskoka-Ontario (Mr. McGibbon) whereby when he is absent I do not vote on any subject which comes before the house. Had I not remained seated I would have voted for the amendment.

Mr. MACKENZIE (Vancouver): Had I voted I would have voted for the amendment.

Mr. MANION: I must respectfully differ from my hon. friend, and I will give my reason. I was also paired, but I would point out that if in a vote in committee we were permitted to rise and declare our pairs, as has been done to-day and on a number of occasions recently, it would bring about this extraordinary condition, that the man who happened to be paired and who declared his pair would be recorded as having voted one way or the other, whereas the man who was not paired and who did vote would not have his vote registered.

Sir GEORGE PERLEY: The men who actually voted would not be recorded.

Mr. MANION: They would not be recorded, whereas those who did not vote because they were paired would be recorded. I was paired, and I will not say how I would have voted, because that would be contradicting the principle I am upholding, but I think that such an extraordinary condition as I point out should not be brought about in this house. My hon. friend from Quebec South, whose mind is always so clear, will agree with me I think that the practice of announcing pairs in committee would not be fair to those who voted.

Mr. POWER: My hon. friend, with that artful Irish ingenuity of his, knows very well that if the point of order raised by himself and the leader of the government were well taken there would be nothing to prevent members from rising before a vote was taken and saying, "I was paired with the member for so and so; had I not been paired I would have voted for or against the motion." It would be easy to get around any rule that might be laid down in consequence of the observations made on the other side, and we might as well allow the practice to continue which has existed in the past. It is the first time to my knowledge that the question has been raised with any degree of responsibility behind it, but if it is pressed, then I suggest that we shall be obliged to have a formal vote of the house on the point, because it does bear on the privileges of members.

Mr. GARLAND (Bow River): It certainly does; and if this practice is to be allowed to continue then I shall have to seek the authority of the house in some way to have the chairman register the votes of those who actually vote, because otherwise, as has been pointed out, a grave injustice is done them.

Mr. POULIOT: I was paired, but the member with whom I was paired being in the house, I voted for the amendment.

Mr. ARTHURS: I have been a member of this house for many years and this is the first session in which this question has arisen during my term in parliament. It has been unanimously agreed in the past that votes in committee, according to the rules, should not be registered. Why therefore should those members who refrain from voting have the privilege of registering their ideas either pro or con? That is not the intention of the rules of this house. That privilege has never before been exercised in this house and I am quite sure that many members, probably including myself, were very glad to take advantage of the rule whereby we could record our vote in committee without being reported in Hansard.

Mr. BEAUBIEN: Am I allowed to record—

Mr. POWER: I hope that this will not be taken as a precedent to prevent members from recording their pairs in committee at other times. If it is to be regarded as a precedent then we shall have to have some formal decision.

Sir GEORGE PERLEY: It is not a rule of the house. I should be glad to have it discussed whenever the hon. gentleman wishes, but it certainly used not to be the custom for pairs to be declared in committee.

Mr. POWER: There is no rule against it.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the said bill be read the third time?

Some hon. MEMBERS: Now.

Mr. GARLAND (Bow River): There is another rule of the house—

Sir GEORGE PERLEY: The hon. gentleman need not say anything more. It has to be unanimous.

Mr. GARLAND (Bow River): It is more important than that. I am asking the acting Prime Minister to postpone it because I want to see the printed amendments. I want to have an opportunity of reading the reprinted bill.

Sir GEORGE PERLEY: Does the hon. gentleman wish to have the bill reprinted before it passes third reading?

Mr. GARLAND (Bow River): I suggest that we should have access to the reprinted amendments.

Sir GEORGE PERLEY: They are all in Hansard; they are comparatively few.

Mr. GARLAND (Bow River): They are really not worth while.

Mr. POWER: Does that apply to the whole act?

Mr. MACKENZIE KING: Shall we be taking up further social legislation to-night?

Sir GEORGE PERLEY: We shall take supply, national defence first, and after that, if there is time, trade and commerce.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

The house in committee of supply, Mr. Morand in the chair.

Salaries and contingencies, $448,640.

Mr. POWER: I understand, when this item was last before the committee, there was some discussion in regard to the unemployment conservation camps being operated by the Department of National Defence, and some hon. members from British Columbia made some observations in respect of the manner in which those camps were being conducted in that province. I should like to say a word concerning the camps in Quebec, but before doing so I should like to assure the minister that any remarks I may make are not to be considered as being in criticism of him or of his department, but are rather by way of criticizing what I assume to be a major policy of the government. The minister is new; he is taking over his position with this policy already laid down and being carried on. He is certainly not to blame for its inauguration, and if we have any remarks to make derogatory to that system I hope he will take them in good part and understand that they are not at all directed at him personally.

At Valcartier there are about 1,700 men who are engaged in a number of different occupations, but according to a return brought down in the house, part of their occupation is that of erecting permanent buildings. On further questions with regard to the nature of these permanent buildings, I was informed that they were to form the nucleus of an arsenal, a place in which would be carried out the manufacture of ammunition, and that the present cartridge factory in the city of Quebec was to be removed to Valcartier. This cartridge factory at Quebec employs approximately sixty-two persons. During the year 1929-30, the payroll was $61,241.05, and during 1933-34 it was $41,038.29. I object to the work being carried on by the population of this camp, on many grounds, the first being that it is a distinct violation of the promises, pledges and even the actual program of the government, to employ hundreds of thousands of people throughout the country at a wage of twenty cents a day. We have been told that one of the principal pieces of legislation to be brought down during this session is a minimum wage measure. May I point out to the minister that it is not at all necessary to bring down a bill of this nature, or to ask the house to ratify a convention made in Geneva, in order to give reasonable wages to men employed in government concentration camps. These men are being paid twenty cents a day, and I believe they are being paid at this rate in violation of a statute of this parliament. I am under the impression that by a statute passed I think in 1930—and I shall perhaps be able to find it later—all employees on government work were to be paid at prevailing rates, which were specified at thirty cents an hour. By what authority and right the Department of National Defence is now paying those men twenty cents a day I have yet to be able to find out, unless it be that by authority of an order in council which permitted the creation of those camps a salary of twenty cents a day was authorized.

But if such were the case, the statute which applies to work on government construction and so forth should have been specifically modified or repealed for the purpose of carrying on this work. May I point out that by one stroke of the pen, by the passing of an order in council, reasonable wages could be restored to those men. The effect on the community would be to raise the general standard of wages throughout, and the effect on the men themselves would be to give them back some of their self-respect which they cannot possibly have if they are confined in camps such as these and paid the niggardly wage of twenty cents a day.

The second point I wish to make is that in connection with this particular camp the men are carrying on work which could be distributed and given to the tradesmen, artisans and workmen of the country. There is in the city of Quebec a very large number of carpenters, masons, men skilled in the construction trades, and we are deliberately setting these married men aside, allowing them to remain on relief, in order to give employment to persons in these camps. I pointed out at the time this legislation was introduced two or three years ago that there might be some justification for this when the works which were being carried on were not permanent or could not be carried out by persons in the community, but there was no justification for taking twenty cents a day men and giving them employment which would take away the bread and butter from the married men of the community. It was in reply to those remarks of mine that the Solicitor General, I think it was, stated that there was no danger of that. In this particular instance we are building an arsenal within fifteen miles of the city of Quebec where there is an ample supply of unionized labour, where persons who have been accustomed to carrying on construction trades would be only too glad to get work instead of remaining on relief. Yet this department is employing seventeen hundred men taken from all over the country and paying them twenty cents a day.

There is another point I might mention, although I do not want to touch on anything that might appear to be sectional. In other parts of the country where military buildings such as arsenals, drill halls, armouries are being constructed, these are being built under the Public Works Construction Act, and the men employed thereon are drawing reasonable rates of pay. Therefore I see no reason why within the district of Quebec we should not be allowed to enjoy the same benefits as do people from other districts. It will be said I suppose that good work was done by men in these camps at the citadel at Quebec and Valcartier, and I will not deny it. I suppose if it had not been for the concentration camp at Quebec citadel the ancient walls and fortifications would not have been repaired. But that does not alter the fact that the repairing of these walls would have given employment to a substantial number of men in Quebec who needed it, other than those now in the camps. I will not deny that there may be some justification for their employment in forestry work, I think in the United States they call work of that kind non-productive. As I understand it, in the United States the men taken care of in this way are employed in forestry operations and sometimes in the making of roads and trails through national parks. But this is an altogether different matter. This is a building the advisability of which is doubtful, being constructed by the aid of a special kind of labour which a great many people in Canada call slave labour; and at the very threshold of the place where that building is being put up are hundreds, aye thousands of married men on relief who are capable of doing this work.

In order to indicate the disapproval of at least of some members of the house of this particular form of government dealing with the unemployed, I propose to move:

That item number 17, national defence, salaries, be reduced by $1.

Some hon. MEMBERS: To one dollar?

Mr. POWER: By one dollar.

Mr. STIRLING: The hon. member was good enough at the outset to say that he was directing his criticism rather against the policy laid down than against the present incumbent of the office of Minister of National Defence. I am grateful to him for that kindly allusion. On the other hand I do not wish in any sense to shelter myself behind that. He has stated it as his opinion that these single homeless unemployed men whose care the dominion government has taken over should not be paid a wage as low as twenty cents a day. I contend, and the government has contended all the way along, that this payment is certainly not a wage. How did the dominion government come into this position? They agreed with the provinces to take over the care of the single homeless unemployed, to clothe them, feed them, keep them warm, supply them with a small quantity of tobacco in the form of a ration, and give them such facilities for recreation as were possible. The only practicable way in which that could be

done was to collect them in camps in the various parts of the country. Some of those camps were taken over from the provincial governments, some were erected by this government. It was therefore necessary for the dominion government to come to a decision as to where the camps should be, and what work the men in them should undertake. It was considered, for I think sufficient reason, that this work at Valcartier, laid out it is true for military purposes, could well be undertaken. In that camp the men were given food and clothing and the other things which I have mentioned, and over and above that provision which the dominion government on behalf of the provinces undertook with respect to the men they also supplied a small allowance of money, but certainly not a wage. The men had to do certain work, which was of a labouring kind. As the assistance of trained artisans was required, key men in the various branches of work were employed at current rates of pay. These key men were taken from the locality, and the key men received whatever wages men in that locality were receiving in these trades. The rank and file of the single homeless unemployed worked with the key men, in some cases under their direction, anyway in gangs which were led by them. The hon. member of course is entitled to his own opinion as to whether or not the policy laid down and carried out was a good one, but it is a policy which has been laid down by this government and it has in the opinion of the government worked out satisfactorily enough to be carried on as such.

Mr. POWER: The justification offered by the minister, that a certain number of men receive prevailing rates, seems to me only to make the matter worse. It would appear then that a few men—which I might tell the the minister were appointed by patronage at the request of political heelers of the constituency—obtained fairly good jobs. The remainder, who were doing just such work as is being done on building jobs throughout Canada, such as making cement forms and the ordinary work of the building trades, were receiving twenty cents a day. I understood the minister to say two or three nights ago that the cost to the government of maintaining these men in the camps was something like $1.30 per day. Am I right? That was exclusive of the overhead of the department, but included the cost of food, clothing and lodging. That plus twenty cents makes $1.50. It would have been a reasonable thing to add a further fifty or sixty or seventy cents a day and give employment to the people of the locality at not much more expense to the country. It would have given a great deal of assistance to the persons most in need of government assistance at this time. I quite agree with the minister that something had to be done for the so-called homeless transient single men, but in order to do something for them it was not necessary to take the bread out of the mouths of the married men in the locality. That is the situation as it exists in the city of Quebec. This is not a non-productive undertaking; this is an arsenal, a building for the purpose of making ammunition. There is no reason why the district of Quebec should be treated differently from any other district. Here again I disclaim any intention of raising a sectional issue. It merely happens that I know what is going on at Valcartier; I do not know what is going on in the other unemployment camps. The men at Valcartier are doing exactly the same kind of work as men throughout Canada who are working on the public works program. That there was an agreement with the provinces to care for the homeless unemployed men, and that two or three or five or six out of each gang are being paid prevailing rates of wages, does not alter the fact that the government is having its construction work carried on at a miserably low rate of wages compared to that which a private individual would have to pay in the same part of the country. This is a bald statement of the facts. I contend that this government above all governments is not justified in reducing the standard of living by lowering rates of wages in order to carry out undertakings which should be paid for the same as any other public works throughout the country.

Mr. SANDERSON: Like the hon. member for Quebec South I want to say at the outset that any criticism I may have to make of the policy of the Department of National Defence does not apply in any way to the minister personally. I do contend, Mr. Chairman, that the minister must take full responsibility for the estimates of his department which he has brought before this committee. I notice that there has been a very substantial increase. At page 25 we find that in administration there is an increase of $41,000. In the non-permanent active militia there is an increase of $6,000, an increase of $54,666 for the permanent force and an increase of $15,470 for the Royal Military college, or a total increase this year of $117,136. I contend that if the minister cannot show good and sufficient reasons for the increase, these estimates should not pass this committee. I want to put one or two questions to the minister, and I hope that when I resume my seat he will at least endeavour

to give me an answer. First of all I want to ask what salary the chief of staff now receives, whether he was given an increase within the last two years and, if so, to what extent.

Mr. STIRLING: I am perfectly ready to answer the hon. gentleman's questions, but may I suggest that they should come under the appropriate item. At the moment we are discussing civil government, in which there is a decrease, while the question put by my hon. friend comes under administration. Does he desire to proceed now?

Mr. SANDERSON: With your permission, Mr. Chairman, and that of the committee I would rather proceed under this item. I do not see what difference it makes; the matter must come up for discussion anyway.

Mr. MUNN: Mr. Chairman, in connection with the relief camps—

Mr. SANDERSON: Just a moment.

The CHAIRMAN (Mr. Morand): Inasmuch as this matter does not come under this item I rule that it should be considered when the proper item comes up for consideration.

Mr. SANDERSON: I would point out to you, Mr. Chairman, that relief camps are not mentioned at all under this item, which provides for salaries and contingencies.

Mr. GARLAND (Bow River): The reply to the hon. member for South Perth, in that case, is simply that the minister had this point raised when he went into the estimates. One hon. member on this side asked if it would be all right to discuss these camps under this item, and the minister acquiesced.

Mr. STIRLING: I am in the hands of the committee. I think hon. members proceeded to discuss relief camps under the first item because that matter might be discussed on several of these items. Certainly they come under civil government to a small extent, but the matter raised by the hon. member for South Perth is in no sense covered by civil government. However, if it is the wish of the committee to discuss everything under administration or civil government I have no objection. Administration will be the next item called.

Mr. STEWART (Edmonton): May I suggest to the minister that it is somewhat difficult to know just where to discuss these matters. As I understand it the Department of National Defence are carrying on work which is paid for out of the general vote, which does not appear in the estimates at all. I am rather anxious to know when we may discuss those unemployment relief camps. The difficulty under which we are labouring is that some of this work is being done by the Department of Public Works, some by the Department of National Defence and some by the Department of the Interior. We do want to discuss this relief item and this general vote, this lump sum which the government take annually, and we scarcely know where to find the proper item under which to discuss it intelligently. If the minister will give us an idea of just how he operates in his department with the relief sums that are voted to him, then we can discuss the matter much more intelligently under the proper items as they come up.

Mr. STIRLING: I have not suggested any objection to a discussion of the unemployment camps under civil government, but the hon. member for South Perth asked a question with regard to something that is quite definitely under another vote. That was why I raised the question whether it was desirable to discuss that matter under this item. The last time these estimates were before the committee the whole discussion on the matter of unemployment camps took place on this item of civil government, and I suggest that if the hon. gentleman desires to discuss that matter it might be taken up under this item as well as under any other. The particular matter the hon. member for South Perth brought up, however, happens to come under administration, and not under civil government..

Mr. SANDERSON: I thank the minister for his courtesy in saying that he has no objection to this discussion going on under item 17, and I assume that I am justified in going ahead.

The CHAIRMAN (Mr. Morand): On relief camps.

Mr. SANDERSON: I will come to the relief camps eventually but I want to talk about something else in addition.

The CHAIRMAN (Mr. Morand): Anything that comes under this particular vote.

Mr. SANDERSON: I put this question to the minister a few moments ago; I asked if he would be good enough to tell me if the chief of staff had received any increase in salary within the last two years and, if so, what that increase amounted to. While the minister is looking that up I would also ask him if any other officers of the staff received

increases in pay and, if so, who the officers were and what were the amounts of the increases.

Mr. STIRLING: With regard to the chief of the general staff, his salary was increased two years ago from $8,000 to $10,000, less ten per cent.

Mr. SANDERSON: Was the increase made retroactive for some months, at that time?

Mr. STIRLING: No, it was not retroactive. I am informed that no other officers have received increases in the last two years other than those which would follow ordinary promotions.

Mr. SANDERSON: The minister informs me that the chief of staff had his pay increased within the last two years from $8,000 to $10,000. It does appear to me that an increase of $2,000 in the salary of any official here in Ottawa cannot be justified under present conditions, and I think that increase never should have been made.

I want to say to the minister also, in all kindness, that I think perhaps the greatest close corporations we have in Ottawa is the staff down at the Woods building. I well remember, and other hon. members of this house will remember also, that when the salaries of civil servants, members of parliament and senators were reduced, the measure which was brought into this house did not include the staff officers in the Department of National Defence. Later on it did include those officers; I am coming to that, but why was that not done in the first place? I have an idea that it was not done in the first place because the staff over at the Woods building runs the Department of National Defence. That ten per cent deduction finally did apply to these officers, but it was only after the opposition in this house and public sentiment throughout the country demanded it. They should have been included in the first place; they never should have been omitted. I want to give a word of advice to the minister, and I hope he will take it in the kindly spirit in which I give it to him. He has come to this department as a new minister, and I want to say that he should keep his eye and a firm hand on his staff over in the Woods building.

There are some things for which the minister must assume responsibility. He was sworn in as a minister of the crown on the 17th day of November, 1934. As a matter of fact, Mr. Chairman, it appears that the new deal was first put into force in the Department of National Defence. I have under my hand a document by which I believe I can prove my statement. The minister must take the responsibility for it, because it is dated December 20, 1934, just one month and three days after he assumed the responsibilities connected with the Department of National Defence. I believe I would do well to take up the time of the committee to place this letter on record. The letter is headed "Department of National Defence, Militia service," and is numbered "M.3-1-8-3." It is dated at Montreal, province of Quebec, December 20, 1934, and is as follows:

District Circular
Letter 11, 1934.

Officers Commanding,
P.F., & N.P.A.M. Units,
M.D. No. 4.

I presume, Mr. Chairman, that all the military districts in the Dominion of Canada received the same circular. The letter begins:

Mess Dress Ties

1. N.D.H.Q. Circular Letter No. 21, 1934, is quoted hereunder, for your information:—

(a) "In view of the many different patterns and sizes of mess dress ties which it is observed are now being worn by officers of the Canadian militia, I am directed to request that all officers may be advised as to the correct pattern and size of mess dress ties and that such steps as are possible may be taken to secure uniformity.

(b) Paragraph 49, Dress Regulations for the Canadian militia, 1932, prescribes a black bow tie, and this paragraph is being amended by—

And this is where the new deal comes in—

—adding thereto the words 'with square ends.' Ties with pointed ends should not be worn—

I hope all hon. members will listen carefully to this.

—and the edges of the bow should be straight and parallel.

(c) Particular attention should be paid to the dimensions of the tie, which should be about two inches wide at the ends and the length of the tie, in inches, should be twice the size of the collar, namely an officer wearing a 15½ collar should wear—

And this is very interesting—

—a tie approximately 31 inches long.

(Signed) B. W. Brown,
Lt.-Colonel,
A.A. & Q.M.G., M.D. No. 4."

Copies to all officers.

I submit that apparently the minister was the first to issue some of the new orders—the new reform—and this is very interesting. Perhaps the orders should have gone a little farther and the circular should have included something about the size of the hats the officers wear, recommending that the sizes be in accordance with the sizes of their heads.

Mr. ROBINSON: Statesmanship.

Mr. SANDERSON: I ask the minister in all seriousness: under conditions now existing in Canada does he take the responsibility for sending that trash out to the officers of the militia? The thing is absurd. It is ridiculous, and is on a par with what I said a few moment ago—

Some hon. MEMBERS: Hear, hear.

Mr. SANDERSON: —that the staff officers—

An hon. MEMBER: A year ago.

Mr. SANDERSON: I did not say it a year ago, but probably I shall repeat it another year. The staff officers of the Department of National Defence control the minister, the minister does not control them. I hope none of the officers of the Canadian militia will get into very serious trouble if they do not wear the right kind of tie or the right size of collar, and in carrying out the regulations of this overworked staff.

I should like to say one or two words more, Mr. Chairman. I am sorry I have not before me to-night a list of the militia buildings which have been built under the joint supervision of the departments of national defence and public works. Although I have not that list before me I believe it would make very interesting reading for the people of Canada. Since 1930 millions and millions of dollars have been expended in this way; some of the buildings are under construction, in an unfinished state, and some have been completed. These are military buildings. I want to tell the Minister of National Defence that he cannot make a military country out of the Dominion of Canada, and the sooner the government realizes that fact the better it will be for them and the country at large.

Under the items I have before me it would appear that the vote for the permanent force is increased by $54,666 over the amount voted last year. May I say a word about the permanent force. I have not much criticism to make about the rank and file of that force, but I do want to say that with a very few exceptions the officers are what I would call war lords, men who are attempting to create the feeling throughout the country that Canada must be prepared for another war.

Mr. HANSON (York-Sunbury): Bunk.

Mr. SANDERSON: Hon. members opposite are entitled to their opinion, and I am entitled to mine. But the fact that the new Minister of Trade and Commerce says "bunk" makes no impression upon me.

Mr. STEWART (Leeds): Oh, no.

[Mr. Robinson.]

Mr. SANDERSON: This country came through one war. With the exception of some officers and a few non-commissioned officers of the permanent force, who gave good service, this country sent a civilian army overseas. I am willing to admit that, but I wish to say that had it not been for the young Canadian boys who enlisted and were trained overseas the Canadian forces would not have met with the success with which they did meet. However, I do not intend to dwell upon the war further than to say that if in the next fifteen, twenty, twenty-five, thirty, thirty-five, forty or fifty years Canada should be unfortunate enough to be drawn into another war, we will have enough Canadians, men who were very young at the time of the last war, who could very well officer any army of the future. The expenditure of $4,000,000 or $5,000,000 a year to keep up a permanent force, most of whom are brass hats and men who send out circulars such as the one I have read, is a waste of money. Even if conditions were normal it would be a waste of money, but the waste is greater having in view the distress and unemployment common throughout the country.

Many buildings are being erected throughout the country. About $2,000,000 is being spent for an armoury in the city of Calgary, and in other places throughout the country. We had enough armouries in Canada during the war. Perhaps it was fortunate we had the armouries which were built prior to the war by the late Sir Sam Hughes. They were very useful. I will go so far as to say that the armouries which were built came in very handy. But we do not want the country studded with militarism and covered with armouries from coast to coast. If certain gentlemen in the employ of the government receiving $8,000 or $10,000 a year could possibly put over the propaganda, militarism would increase, but I do not think they will be able to do it.

In my opinion there is a great deal of waste in the money spent by the Department of National Defence. I will not say anything about the relief camps, because other hon. members may take up that matter. I do say in all seriousness to the minister, however, that so far as possible he should cut out a lot of the red tape down in his department. The people of Canada do not want it; they expect something else. The minister, I think, has a wonderful opportunity if he will assert himself with the officers and the officials of his department, and instead of the officers running the department and running the minister, the minister should

take a firm stand and control those who are under him, and if he cannot control them he should get rid of them. I go further. I say that the staff in the Woods building is overmanned. You cannot get into the place; they are like an army of chocolate soldiers down there. You can hardly get into the door. We do not want that in this country. I am fair enough to say that you must have a certain amount of discipline in a department such as the minister presides over, but there is a danger that you are going too far, and I think perhaps you have got to that point now. This country does not want to be ruled by war lords. I hope the time will never come when this country will be embroiled in another European war. It is all right to have a force for defence, and I am not offering much criticism of the active militia, although I think that a good deal of the money spent on the maintenance of the active militia is wasted and no good results come from much of that expenditure. I do repeat, however, that the money spent on the permanent force could be largely cut out and the service would be better off if many reductions were made not only in staff but in expenses.

Mr. MacINNIS: Before this question was raised on Monday evening I had made an arrangement with the minister to take up the matter, so far as I was concerned, with the head of the department, General McNaughton. I had no particular desire to raise the question in the house, but the question was raised and I gave the house at least a part of what I would have submitted to General McNaughton. However, since Monday evening I have received further information to the effect that conditions in the camps in British Columbia are just as bad as ever and possibly worse. I have before me an item that appeared in one of the Vancouver papers of February 28. I will read this item:

> Relief Camp Deserters Prefer Gaol to Hunger
>
> Twenty-eight relief camp deserters who some days ago were given the option of leaving town or serving three months in gaol after being convicted of obtaining meals by fraud in city cafés, gave themselves up at police headquarters Wednesday night. They expressed their willingness to serve their sentences as they had been without food for twenty-four hours.

The minister says that if a man has a grievance he may take it to the foreman of the camp, and if he does not get satisfaction from the foreman he can take it to the superintendent, and if he does not get satisfaction from the superintendent he can take it to the officer of the district. That may be true so far as the minister is concerned, but it is not true in actual practice. A number of men in the camps have told me that the moment they bring a complaint to the foreman they are branded as agitators and told that if anything more is heard from them they will have to leave the camp. They are dismissed not only on the word of the foreman but on the word of the straw boss on the job. I have before me a note from a young fellow in a camp in Ontario. He complained about the food in the camp and the foreman told him that he was an agitator, and that if he did not like the hash he could get out. But not only did he say that—and the same condition prevails in British Columbia; he also said, "I will see that you do not get any relief in Toronto." When they are sent out of the camp the provincial government and the city of Vancouver are advised to give them no relief, so that they have no alternative but to commit crime in order to obtain food. I was talking to one man who had been in four or five camps under a different name in each camp because he was blacklisted for "agitating" and dismissed from the camps. Now something must be done about a situation like this. The minister says that the provincial government can send inspectors into the camp at any time and inspect it for themselves, but the provincial government dare not send inspectors in because if the inspectors found fault with the camps it is just as likely that the federal government would say, "All right, look after the single unemployed yourselves." That is one of the reasons why the provincial government, even if it were anxious to see that the men are well looked after, will not take any active steps towards inspecting the camps. When we take the matter up with the provincial government they say that it is entirely in the hands of the federal government and that they have no jurisdiction; and when we take it up with the federal government, they in turn say that they are merely aiding the provincial government and not substituting for it because it is a provincial matter. Wherever you turn you are met with refusal to do anything. I think that the first essential in order to get some contentment in these camps is to see that the men in charge, the foremen and other officers, are men who have some of the milk of human kindness in their make-up. The minister says that conditions prevailing in the camps he visited were favourable compared with camps he had worked in. But these men are not in the same position as men working in construction camps. In the first place, they are getting the magnificent wage of twenty cents a day, and that is enough in itself to cause discontent. They have a

different psychology from men in ordinary work, and consequently the man who is competent to run an ordinary construction camp is not necessarily competent to run one of these camps; it needs an entirely different type of person. I suggest that if the officials of the department would give a little more consideration to the men in the camps and less time to considering the length of the ties worn at mess, things would go much better than they are going at present. I am convinced that we shall never have contentment in the camps—certainly we shall never have satisfaction to any great extent —unless the minister appoints men who understand the peculiar psychology that exists in these camps, or has an investigation made by an impartial tribunal who will fearlessly report on what they find.

Mr. MUNN: After listening to the minister with a great deal of interest I want to say a few words in reply to the statement he has made. When the hon. gentleman was appointed Minister of National Defence it ran through my mind, "Now we have a practical man who will surely see the necessity of a change of administration in the relief camps, especialy in British Columbia." I am very much disappointed and discouraged to-night to hear him say that in his opinion they are fairly satisfactory. I have a great deal of regard for the hon. gentleman and I must take his word for it that in his opinion the camps are satisfactory, but I do not think he has investigated the matter as carefully as he might have done. I have looked into it carefully myself. I know a good many of these boys, who have worked for me in the logging camps, and as the hon. member for Vancouver South says, conditions in these camps are altogether different from those that prevail in logging and construction camps. In the logging camps and construction camps the men get paid; they are there to make money and the contractors take care of the men, because otherwise they would not stay with them. But here the men are bound to stay. Now I suggest that the same condition could be brought about in these camps and there would be results; there would be something to show for the money that had been spent. For instance, if you put these men on for five hours a day at forty cents an hour, that would be $2 a day and you could charge them for their board. In other words, it would cost you $12 a week. Under the present administration it costs $9.10 and you get nothing done. They are supposed to be working but they are simply pussyfooting, and I do not blame them. But with an additional $3 a week the men would work, everyone would be satisfied, there would be no more trouble, and at the end of the season there would be something to show for the season's work. As it is, you have nothing to show. I agree one hundred per cent with the hon. member for South Perth; the statements he has made are absolutely correct. Not only the Department of National Defence, but I think all the departments of the federal as well as of the provincial governments are overmanned. That is one of the factors that are holding us back. This is going to be tough for some of the people, but if I had my way, a number of highly paid civil servants would be looking for jobs. I am not picking on any particular men; if a man is required, that is all right, but a number of them not only in the Department of National Defence but in other departments are not needed.

I have nothing more to say than that there is too big a spread between $10,000 a year and twenty cents a day; that is the spread between the remuneration of men in the employ of the Department of National Defence. As I said before, I am very much disappointed in the minister. I have a high regard for the hon. member for Yale, who, being a practical man, knows what construction work is, but I think he will agree with me when I say that it is quite a different matter when you have a construction camp for logging or building a railway. In that case you have to take care of the men and pay them, and you will get the work done. In this case the situation is different; you simply have the men there, and in my opinion the way in which these camps have been and are at present being conducted is a disgrace to the Dominion of Canada.

Mr. BARBER: I should like to say a few words on this subject which seems to have appealed very much to hon. members from British Columbia. First, I think some of the statements made by hon. gentleman opposite in regard to conditions in the camps have been exaggerated. In the particular riding which I have the honour to represent, there are from twelve to fourteen camps; I have made a point of visiting them from time to time, and I would say that from seventy-five to ninety per cent of the men there appreciate the service that is being rendered by the department. There is of course an element which one could not satisfy under any conditions. I was present at one of the camps when a young man of about twenty-five years of age came up to the foreman and said that he was leaving; that he was going to take the train out for the east.

The foreman, who was a very fine type of man, talked to him like a father, but the boy turned and said: "I am twenty-five years of age; I have never worked a day in my life; I don't intend to either and I am taking the train." So he checked out. There is, as I say, in those camps a certain percentage of men who do not want work and who do not appreciate whatever might be done by any department of government.

Something has been said about the foremen. I think the foremen in every camp I visited and the superintendent of that division are men of the finest type. They are sympathetic; they give fatherly advice to the men and I think the men appreciate it.

The question of purchasing supplies was I believe dealt with the other day when this subject was up, and the department was criticized for not purchasing certain lines of products from local people. I have gone into this matter very fully, because I live in a district which produces great quantities of the products required by the camps. The problem which we ran up against was that of continuity of supply. It is impossible to expect any official to go around from farm to farm collecting a few sacks of potatoes here and there. When you have thousands of men it is necessary that you have a continuous supply from day to day. When dinner time comes along you must have the meat and the potatoes; you must have food for the men or you will have a riot on your hands. In different parts of the district the experiment was tried of having men collect from the farmers vegetables, and so forth, and in some cases meat. The supply was satisfactory for a very short time, but as I said before, it was found that it was impossible to maintain the supply. Let me repeat that I have found seventy-five to ninety per cent of the men in the camps appreciate the services rendered, and so far as the meals and accommodation are concerned I do not think there is any ground for complaint, because I believe the men in those camps are to-day getting perhaps better food than seventy-five per cent of the people in that district.

I have some criticism to offer, and I agree to a certain extent with some of the arguments advaced by hon. gentlemen opposite. I have been told by the department that this system is not permanent. I fully realize and I believe the department realizes, that a change should take place in the matter of wages. We have in British Columbia already what is known as the relief wage on works, twenty-five cents an hour. If the men were paid at the rate of $2 a day and were required to pay for their board, clothing and other necessaries, they might not be as well off, but they would be a great deal happier and would feel better than they do to-day. After going into the question with some of the officials, I believe board of even a better variety than is at present being furnished could be supplied, including all kitchen expenses, at a rate of sixty cents a day. The men could pay sixty cents a day for their board and purchase their clothing from the camp as long as the stock lasted, say at cost, or anywhere they saw fit. If this were done it would be of benefit not only to the men themselves but to the communities in which their camps are located. It would create a sort of pay-roll for purchasing supplies from the local merchants, and I am sure it would distribute throughout the country a certain amount of money that is not being distributed at the present time.

In this connection I have pointed out to the department before, and it was brought to my mind the other day when we were discussing the tourist business, that in the particular district which I have the honour to represent we have a large portion of what is known as the Cariboo trail, which I think I can state without fear of contradiction is perhaps the most scenic piece of road on the American continent. It lacks one thing, and that is the surfacing of the highway. If that highway were surfaced for one hundred and fifty to one hundred and eighty miles, it would bring to this country thousands of tourists and hundreds of thousands of dollars of revenue. But with the surface of the road in its present condition tourists would not undertake to make more than one trip on it, and when they returned home they would tell the people about the condition of that road. My proposal to the department has been—and I repeat it to-day—that we must co-operate in this work. There are camps located all about this highway, and if the thousands of men employed in the camps were paid a proper wage and the provincial government were to furnish equipment and materials, the work could be done. We would thus accomplish two things: we would put the men in a better position than they are in to-day; they would feel like free men, and we would be producing something that would bring a revenue to the country. This work must be done in cooperation with the provincial government. I would advocate that the provincial government furnish all equipment and materials and the federal government the labour. They do not receive a direct benefit from the work performed; but it is only fair that when they have the care of these men and

spend large sums of money on the camps, they should do something along this line. The cost would not, as someone suggests, be doubled; it would mean an increased cost, but there would be a return from the expenditure made, not directly to the federal government but certainly to the province in the useful work that would be carried on in the way of improving that highway. Work of this kind could be done not only in that district but in others in which similar camps are located. I should like to leave that suggestion with the department. They have admitted, and we hope it will prove to be true, that this system of camps is not permanent; I believe under the conditions which are improving each day they will not last very long. But in the meantime I should like to see serious consideration given by the minister and his department to the proposal to place these men at a fair wage. I would not call twenty-five cents an hour a fair wage; it has already been adopted in our province as a relief wage. Even if we went a little further and made it forty cents an hour or two dollars for a five hour day I think would be fair. Having discussed this matter with some of the officials and the men I am sure they would be much more satisfied. This might not take care of one hundred per cent of the men, because there are men in those camps who perhaps are not physically fit to carry on this heavy work, and there are some who perhaps could not be made to work unless put somewhere where they can be controlled. But the large percentage of the men will appreciate this, and I think as far as their morale is concerned it is the only way it can be restored. I appeal to the minister and the department to consider this matter seriously.

Mr. ELLIOTT: I notice item number 17 includes salaries. Could the minister tell us what new officials, if any, have been engaged in the department to carry out the construction program undertaken under the Public Works Construction Act? While the minister is obtaining that information I want to say that I quite endorse what has been said by other members with regard to the folly of spending at the present time the large amount now being committed for the building of armouries and arsenals and other military structures throughout this country.

There is some more information that I would like to obtain, and perhaps this is the proper time to get it, to what extent has the staff of the department been increased for the purpose of carrying out this construction. According to the statement filed by the Minister of Finance, up to December 31 the amount expended out of the $2,530,000 allotted to the Department of National Defence was $274,587. There were commitments up to December 31 amounting to $535,824. I wonder if the minister can tell me the details as to how these works are being carried on, the locations of the various camps, the total amount being expended at the various works, and the amount that is now committed of that $2,530,000.

Mr. STIRLING: The first question I think was as to the increase in staff made necessary by the relief work.

Mr. ELLIOTT: No, by the public works construction program that is being carried on now by the minister's department.

Mr. STIRLING: There have been eight supervising architects and assistant architects; one structural engineer; two clerks; three stenographers, grade two. All of these are at headquarters at Ottawa.

Then the hon. member asked with regard to the items of construction under the Public Works Construction Act of last year. Item 18 was for barracks to be erected in the province of Alberta, at Calgary or elsewhere, and the sum allotted was $1,200,000. The approximate expenditure on that item to January 31 is $79,192.99. Item number 33 was for the reconstruction of the Royal Canadian Air Force station—

Mr. STEWART (Edmonton): May I ask the minister to give as he goes along a short explanation of the work done—for example, at Calgary?

Mr. STIRLING: Item by item?

Mr. STEWART (Edmonton): Unless it is inconvenient.

Mr. STIRLING: Item number 18, barracks, in Alberta: A suitable site for barracks and aerodrome was located to the southwest of Calgary containing about 344 acres. Of this about 317 acres are owned by the city and are being conveyed to the crown for a cash payment of $10,000, and 52·55 acres of old rifle range site estimated at $1,261.20. In addition there were certain subdivision lots held by private parties containing about 27 acres which have been expropriated. These have been valued at about $100 per acre, making $2,700. The total estimated cost of site is $13,961.20. The acquisition of this site on the terms stated was authorized by order in council P.C. 1857 dated August 16, 1934.

The proposed works: one barrack building, $165,500; contract awarded to Messrs. Bennett

and White, Calgary, at $163,546. One men's mess building, $150,000; contract awarded to Forster Construction Company, Calgary, at $147,250.

Mr. ELLIOTT: If I may interrupt, would the minister say as he goes along what form of tenders these were, whether private tenders or by public advertisement?

Mr. STIRLING: They were called for from firms in proximity to the city.

Mr. ELLIOTT: The minister means that it was not by public advertisement but by invited tenders?

Mr. STIRLING: Yes, a list of firms.

Mr. ELLIOTT: Does that apply to practically all the structures that have been erected in Calgary?

Mr. STIRLING: All those so far in Calgary.

Mr. ELLIOTT: None were let by public advertisement?

Mr. STIRLING: No. They are divided into these items that I am just going to read:

One married men's quarters, estimated cost $36,000; contract awarded to R. H. Peach and Company of Calgary at $35,169.
Grading landing field, $128,000; contract awarded to Messrs. Manvin and Owens, Calgary, $128,756.
Extension of city services, $47,000; being carried out by the city of Calgary.
Sewer and water services within the barracks, $110,000, being carried out by the city of Calgary.
Grading sites of buildings, $4,000, being carried out by day labour.
One administration building, $166,500, plans and specifications nearing completion.

And so on for the next six or eight items. Does the hon. member want me to read the whole list?

Mr. STEWART (Edmonton): Yes.

Mr. STIRLING:

One stable building, $50,000.
One married officer's quarters, $20,000.
One Army Service Corps depot building, $16,000.
One forage barn, $3,500.
One officers mess building, $125,000.
One mechanical transport garage, $23,000.
One riding school, $55,000.
One guardhouse, $4,000.
Road construction, $20,000.
Gas and power lines, $5,000.
Grading parade ground, $20,000.
Purchase of property, $12,000.
Tree planting and landscaping, $10,000.

Mr. ELLIOTT: Could the minister tell us the dimensions of that $50,000 stable?

Mr. STIRLING: The plans are not completed yet. This is the whole scheme.

Mr. STEWART (Edmonton): In respect to how many of the buildings has construction been begun?

Mr. STIRLING: Suppose I finish the list and then read to the committee the progress report:

Salaries, $12,000.
Architect's fees, $15,000.
Incidentals, $2,500—Total, $1,200,000.

Mr. STEWART (Edmonton): That is the estimated cost of all those works?

Mr. STIRLING: Yes. Now I come to what I may call the progress report: The barrack building, Bennett and White, have the contract for $163,546. The approximate expenditure to January 31 was $5,400. The contract for the mess building, to the Forster Construction Company, had not had any money spent on it up to January 31. The same applies to the married quarters' contract to Peach and Company, for $35,169, which has not been commenced. The grading of the landing field, amounting to $128,756, of course was not commenced during the winter. The extension of the city services, work done by the city of Calgary, amounting to $47,000, has been almost completed. The sewer and water system within the barracks, being done by the city of Calgary at $110,000, had cost $15,000 up to the end of January. Then, of course, there was the purchase of the site. The minor services and incidental expenditures to the end of January amounted to $12,766.99.

Mr. STEWART (Edmonton): The minister has just informed my colleague that there were no public tenders requested, that a selected list of contractors were invited to tender on all this work, as I understand it.

Mr. STIRLING: In the neighbourhood of Calgary and Edmonton.

Mr. STEWART (Edmonton): I do not know where they live; I am merely asking the question. As I understand it the department took upon itself the responsibility of selecting half a dozen or less contractors to tender for this work. It was not opened to the public generally by advertisement. That is correct, is it not?

Mr. STIRLING: Yes, the practice followed for a considerable number of years was followed in this case. The total sum was divided up into a variety of contracts and they were let through a list, as contractors have been let for many years past.

Mr. STEWART (Edmonton): I am not going to get into a controversy with the minister over this matter, but my attention has been directed to one of these contractors, a

gentleman named Forster. Is it a fact that he should have commenced operations some time ago but has not done so as yet?

Mr. STIRLING: The Forster Construction Company contract was let on the 22nd of January.

Mr. STEWART (Edmonton): Has the bond been put up for due performance of the work?

Mr. STIRLING: Yes.

Mr. STEWART (Edmonton): How long ago?

Mr. STIRLING: Before the contract was entered into.

Mr. STEWART (Edmonton): But a start has not been made on the construction?

Mr. STIRLING: This progress list I have before me is made up to January 31. I am not in a position to say whether or not actual work has been commenced under that contract, but I can easily ascertain the facts.

Mr. STEWART (Elmonton): I am interested in this gentleman, because he is one of the faithful in Calgary and plays a pretty important part there. Before the estimates of the various departments are passed I intend to make further inquiries about the activities of this gentleman. He is sometimes engaged in contracting and sometimes not, but he has a considerable amount of say in connection with other contracts let in Calgary, particularly the sub-contractors who are doing work for the general contractors. I am very well acquainted with Bennett and White. They are very reliable contractors, and I am quite certain that the department can be assured of receiving full value in anything they may do, because they have had many years of contracting experience. So far as I know they do not belong to my political party, but they did a good deal of work for the department when I was minister.

I do want to say to the minister now that it will be worth his while to watch some of those contractors, and I am interested to know what progress this man Forster is making with his contract. If I am not misled by the information I have been given it will be worth while seeing that he performs to the fullest extent what he agrees to do. As I understand it this is not in any sense a military barracks; it is to house the police force in the province of Alberta, is it not? Is that not the main object of this building?

Mr. STIRLING: Permanent force barracks.

Mr. STEWART (Edmonton): There is already in Calgary a very fine barracks or armouries right in the centre of the city. If this is an additional barracks I suggest that it is quite unusual for a city the size of Calgary. There is a suitable armoury building located right in the heart of the city; perhaps the minister knows as much about it as I do. My understanding last year was that this new building was to be the headquarters of the police force for that province. The minister shakes his head; is that not a fact? Surely it is not another armoury? Has the minister some further explanation to give?

Mr. STIRLING: Mr. Chairman, I well recall that last year when this matter was being discussed the Prime Minister explained that the barracks in Calgary to which the hon. member is referring was the barracks of the non-permanent active militia, which for the time being was used by the permanent force of military district No. 13 pending the time when provision could be made for a barracks for that district. This is that barracks, and it is for the permanent force, not for the police. This will enable the non-permanent active militia to resume full use of their own armouries.

Mr. STEWART (Edmonton): I am sorry that I was misled by the explanation given by the Prime Minister last year; no doubt that was my fault. I fail to understand why a city like Calgary requires another armoury, as we call it, or barracks, when I do not know of another city in western Canada with a building of this sort. The impression I received last year was that probably the headquarters would be moved from Edmonton to Calgary. I well remember that I was confirmed in that impression because the city of Edmonton made a very considerable row over the matter shortly after the discussion arose in the house. I also recall that when this matter was being discussed the Prime Minister intimated that possibly there would not be a definite decision made with regard to the construction of this building, that the money might be used for some other purpose in order to provide relief. I think if my hon. friend looks up Hansard he will find the statement was made by the Prime Minister that nothing was definite about this. I admit at once that it was made after a good deal of discussion over this very matter, but do I understand that the city of Calgary is to have two fine, large armouries? The building located there now is a splendid armoury, of the regulation size, I should judge. Is this new building to house the Strathcona Horse? Of course that force has a splendid reputation and record, but why should it be continued and why should we

continue to encourage and build up these forces in times like these and in a country like Canada? That is beyond my comprehension.

If it is definitely decided to go on with all this work, and if this is to be an additional armoury for the city of Calgary, all I can say to the minister is that I think the money might have been expended much more advantageously. One thing is certain, that this will not be relief in any sense, as we understand it in connection with the relief camps; this work will be paid for. I presume the cost comes out of the money voted under the general bill last year, but of course the Department of National Defence is in charge of the work. I do not know that I can make any further protest, but I will say to the minister that he had better pay very careful and close attention to the progress of this construction, which has been divided up in this way and the contracts for which have been let in this manner. Apparently the contractors have been selected and given the various units that are being constructed, with little or no competition except from others who were invited to be competitors. One can come to no other conclusion, and anyone who has had anything to do with public construction knows pretty well that it is not a very difficult matter for these gentlemen to get together and fix the price a building is going to cost. I want to register my protest against this sort of thing. If that is the method by which work is being carried on, either under the public works expenditure or with relief money, then I think the opposition are warranted in registering the strongest possible protest against this sort of thing. If one is to avoid criticism in letting contracts for buildings I would say the safest method to pursue would be that of allowing the general contractors to come in and do their bidding, rather than arousing suspicion by a selection of individuals who may tender on public works.

Mr. STIRLING: I have a clear recollection of what was said in the session of 1934 when we were considering a vote for a barracks—not an armoury—for the housing of the permanent force in this particular military district. It was contemplated that the department would build at Calgary, but at that time a site had not been definitely settled upon. Only a few weeks after the conclusion of the session the decision was made that Calgary would be selected as the site. As the hon. member knows, it is on the flat land above Sarcee camp. He has suggested that the selected list, as he has called it, was so small that there was no competition. I have before me a list of sixteen firms which were asked to tender on the piece of work the Forster Construction Company are now doing. I think he will agree that number of firms would afford a considerable amount of competition. The lowest figure was taken.

Mr. ELLIOTT: How did the government get the names of those firms?

Mr. STIRLING: In the ordinary manner followed by departments of government for a good many years past.

Mr. ELLIOTT: What departments?

Mr. STIRLING: As the hon. member was at one time minister of public works, I believe he will follow me.

Mr. ELLIOTT: Yes, as I was at one time minister of public works I know that is not the way it should be done.

Mr. STIRLING: In this particular instance the Forster Construction Company was up against considerable competition. In a contract of that size it is rather interesting to note that the dollars separating the tenders were not very great. The lowest tender, for $147,500, was that of the Forster Construction Company.

Miss MACPHAIL: It seems we have mixed up expenditures on public buildings—mostly armouries—with a discussion on relief camps. I should like to say one or two things about each. It does seem to me that—I suppose we must say the government, but it has been true of other governments in the past—the government lacks imagination when it comes to expending public funds to provide work. I wish to protest as strongly as I can against the expenditure of vast sums of money on military buildings, arsenals, armouries or whatever they may be. In thinking over the things that Canada needs I would put additional armouries or military buildings at the bottom of the list rather than at the top. I can think of just a dozen other things which could be done. I dare say there would be constitutional objections, but one begins to notice that when governments want to get around constitutional objections they do not seem to have much difficulty. For instance, we could eliminate all level crossings in Canada. Of course that would be preventing people from being killed instead of getting ready for the killing of some more. We could carry out a large program of reforestation, something which is very much needed; and we could eliminate slums and build improved roads where they do not exist.

We could have sanitary equipment installed in homes already built, and could have extension of electrical energy to all houses in Canada. We could do all that. Then if we ran out of jobs we could have vast beautification projects, and could remove much of the man-made ugliness we find in Canada. One does see some very ugly things the removal of which would provide work. While the hon. member for Fraser Valley was speaking these ideas occurred to me. Oh, yes, we could have more post offices. Of course I do not know that we need clocks in the towers of all post offices, but let us have the post office buildings anyway. Then, we could have community halls through grants made by the federal government. Surely we do not have to go on with this stupid business of erecting more military buildings, especially in times like these, in order to provide work.

Now I come to the second point, namely relief camps. I wish I could agree with the optimism of the hon. member for Fraser Valley who thinks we soon will not have unemployment. I noticed only a few days ago the social services gave the number of those on relief as 1,350,000. That being the fact it would not look as though we would be free of unemployment for some time. If the minister insists upon all the expenditures being for buildings, I would suggest that we might build permanent homes for the unemployed, the people on relief. At the rate we are going it would seem that such action will be necessary.

I believe there are two points which may be argued against the camps as they are now conducted, one is that they are almost bound to undermine the spirit of the men. The second is that it is going to help continue the greatest of all our evils, namely the lack of purchasing power. The men in the relief camps are out of the purchasing group; they are not in a position to buy the things which other people want to sell. I think it would be very much better to spend even larger sums of money in public works, and to pay the men wages—not twenty cents a day; if only we could get around to doing something sensible and not spending the money in the erection of military buildings.

When speaking about the work which could be done I omitted to mention the reclaiming of the drought area. That would take a great deal of money and many men would be employed. Why not do it? But I think we are soon coming to the time—and as I sit here year after year I wonder how soon—when we are going to short circuit some consuming power from the central authority direct to the people. I shall name some of the ways in which we could relieve our present difficulties. We could give or—I shall use the word again—short circuit purchasing power, without putting it through production, direct to all the blind in Canada. I suggest that would be infinitely more sensible than building more armouries. We could have a superannuation scheme for all people in Canada who desire it. I am not dogmatic as to the age at which such a scheme should become operative; it might be sixty-five years or it might be sixty years, but I do suggest it should be at a sum upon which they could live comfortably. In that way we could increase purchasing power and absorb into productive industry many of the young men who are in labour camps. It would be better to spend two, three, four, even ten times as much money as we are spending, and thereby absorb these unemployed people into natural public works and natural jobs such as they would have had if we had not gone through these trying days. It would be better to do that than to spend less money and run the chance—and we certainly are running the chance—of having all these people in camps forever unemployable.

Some may ask: Where would we get the money? I suggest there are two ways. One is to tax very severely large pools of money, whether through income, inheritance or business profit pools, and the other would be to draw upon the national credit. A person may again ask: What is national credit? It simply means that the federal government would be doing the trick the bankers have learned to do so well—the making of money out of nothing. Coupled with that would come an increase in the price of farm commodities, through a depreciation of currency. I am better satisfied to make what I believe is a more constructive approach to the problem of relief camps than simply saying that the men running them are not preparing the right menus and so on. I am sure the men running them are doing the best they can, and I believe the minister is doing his best. I do not believe the present Minister of National Defence is responsible for the nonsensical expenditures suggested for military buildings. I believe he is a gentleman, and if he were allowed to do the sensible thing I am sure he would be only too glad to do it. But we have gone along stupidly for so long that if we did begin to do things according to common sense standards the shock would be too great. I can understand why the minister does not get around to it.

Mr. ELLIOTT: I did not understand the minister to indicate the proportion of the $2,530,000 to which we are now committed. I refer to the $2,530,000 allotted to the Department of National Defence.

Mr. STIRLING: Of the $2,500,000, roughly speaking, the amount to which we are committed is $1,495,094.33.

Mr. ELLIOTT: Have any of the contracts been let by public tender, and if so, to what extent?

Mr. STIRLING: The building for the Royal Military college at Kingston, $241,950, was let by public tender to Anglin & Norcross.

Mr. ELLIOTT: Is that the only one?

Mr. STIRLING: Yes.

Mr. ELLIOTT: I think it would save time if the minister would let us have, before the next sitting of the committee, a statement showing exactly what contracts have been let. The list of those let by public tender has been pretty well given, I take it, so that that will be rather short. The minister might let us have the expenditure up to the present time so that we shall know how much of that $2,530,000 is still uncommitted.

Mr. STIRLING: I was in process of reading the statement when I was interrupted by other questions. I had gone as far as item No. 18 for the barracks at Calgary and had begun to read item 33 of the Public Works Construction Act. For reconstruction of the R.C.A.F. station at Dartmouth, $15,000 was allotted and authority to execute the work under the direct supervision and control of the officers and employees of the department was granted by order in council. The expenditure to the last day of January was $13,572, so that that is almost complete. As regards item No. 37, the reconstruction of the armoury at Dundas, which was destroyed by fire, the contract was let to C. P. Muntz Limited for $41,290. That has only just been let. As regards item No. 84, which was the one I have already alluded to, the Royal Military College, first a contract was let for the pouring of the foundation walls to Holdcroft of Kingston, $3,281, and that is complete. A contract was let to the Hamilton Bridge Company for the supply and erection of structural steel, and the construction of the mess and recreation building for $241,950, was let to Messrs. Anglin & Norcross. That is the one I referred to as having been let by public tender. As regards item No. 100, the armoury for the Duke of York's Royal Canadian Hussars, that has not yet been let. Tenders have not yet been asked for that, but we are all but ready to ask for them. Item No. 123 is the new photographic building at Rockcliffe for the R.C.A.F., and authority to execute this work, under the direct supervision and control of the officers and employees of the department, was granted by order in council. That building was $37,700. As regards item No. 135, public buildings generally, that was a composite item, of which National Defence was allotted $472,000 and covers a variety of smaller pieces of work, of which perhaps the addition to the Windsor armoury was one of the larger ones, and that was let to R. J. Wilson & Company of Windsor, the contract amounting to $60,490. The addition to the Fredericton armoury was awarded to New Brunswick Contractors Limited of Fredericton, $29,370.

Mr. ELLIOTT: So far as I am concerned, if other members of the committee are of the same opinion, I have no desire to take up the time of the committee troubling the minister to read the statement. I would suggest that he place it on the table so as to give the committee the information which we should like to have. We could look it over and there might be questions which we should like to ask at the next sitting.

Mr. STIRLING: I shall be glad to do that.

Mr. ELLIOTT: If there is any information in connection with the matter which is not contained in the statement, I should be glad if the minister would be good enough to furnish it at the request of the committee. When he refers to the building at Kingston being let by public tender, why should a building at Kingston be let by public tender after public advertisement and all the rest of the buildings be let by private tender?

Mr. STIRLING: The building referred to there is a considerably larger one.

Mr. ELLIOTT: Larger than any of the others?

Mr. STIRLING: Yes.

Mr. ELLIOTT: Is that the minister's reason?

Mr. STIRLING: That is the reason.

Mr. ELLIOTT: What was the price of the Kingston building?

Mr. STIRLING: The contract was for $241,950.

Mr. ELLIOTT: And the buildings covered by the balance, about a million and a half, are let by tender without public advertisement—I mean the total of them. What is the principle that governs, if there is a principle? What is it that determines whether it will be let by tender obtained after public advertisement or whether it will be let by inviting a number of people to submit private tenders? The minister is quite in error when he refers to the Department of Public Works as letting large quantities of its building program—or practically any quantity, unless it were an emergency where a work was being damaged by storms—by inviting tenders which were not publicly advertised. I think it is a most pernicious principle in the construction of public buildings, asking various people to submit tenders; it is not in the interests of the public and does not get the best results. Moreover, it makes trouble for the man in charge of the construction, the minister.

Mr. QUINN: Did you hold the same opinion five years ago?

Mr. ELLIOTT: Yes, and I practised it as a policy.

Mr. QUINN: I doubt it.

Mr. ELLIOTT: Tell us where we erected buildings of this kind under the policy followed here, if you know anything about it.

Mr. STIRLING: The hon. member has referred to the difference between this contract which we are discussing and the total of $2,500,000.

Mr. ELLIOTT: The total of what you are committed to.

Mr. STIRLING: I would point out that the total of what we are committed to is divided into a considerable number of contracts, and in some instances the desire was to employ contractors, if they were available, in these localities, and they would employ the tradesmen and people in the localities concerned who required work.

Mr. ELLIOTT: If that was the desire why not say that tenders will be received from people in the city of Calgary, or in the province of Alberta or of Ontario, or that only local contractors will be allowed to tender?

Mr. CAMPBELL: The former minister, I take it, wants to know on what principle the department decides to call for public tenders, and when it decides to confine it to a few invited friends. Is it decided by the size of the building or the cost, or what is the determining factor?

[Mr. Stirling.]

Mr. STIRLING: Each case is judged on its merits. I do not think the hon. member really means that a few invited people are asked to tender in connection with a certain building such as we have been describing. I have given one list in which sixteen firms in Calgary and vicinity were asked to tender, and in another instance eighteen. That pretty well covered the city of Calgary.

Mr. CAMPBELL: That is true but it does not answer the question. Can public tenders not be called and the advertising, regardless of who the contractor may be, stipulate that local labour must be employed?

Mr. SANDERSON: Before the item passes, I should like to ask the minister whether he would be good enough to give to the committee a list of the relief camps by provinces, where they are located, and the number of men in each camp.

Mr. STIRLING: Does the hon. gentleman suggest that I read that now?

Mr. SANDERSON: No, so long as it is on Hansard. Will the minister put it on Hansard?

Mr. POWER: Perhaps I might return to the question of the unemployment camps which I was discussing some time ago. Before doing so, I am reminded, on listening to the discussion and on hearing the details set forth by the minister, of a speech made some time ago by a United States senator, in the course of which he exclaimed that they were furnishing certified food for the Louisiana hogs and building palatial residences for the Mississippi mules, whereas the people of the city of New York were going without food and clothing and being allowed to starve to death. Here we are with one-half of the brains of the Department of National Defence being utilized in order to ascertain just how long and wide a black tie must be worn with a mess jacket, and the other half in designing stables in Calgary for the Strathcona Horse, while thousands of men throughout the country are being employed at twenty cents a day to take away work from married men, artisans and labourers who are entitled, if anybody is, to get a day's work from this government. It is a crying shame and a disgrace to our country and our civilization.

But before leaving this subject, I would like to get from the minister answers to two questions. The first is: How does he get away from the fair wage policy, so-called, of this government and of the government which preceded it? I am now quoting from

the Labour Gazette. This is the act of May, 1930, the effect of which is stated in the Labour Gazette of March, 1932, to be:

This act applies both to contracts for the construction, remodelling, repairs or demolition of any work for the government of Canada, and to works carried out by day labour, and provides for the payment of "such wages as are generally accepted as current from time to time for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged; provided that wages shall in all cases be such as are fair and reasonable;" also that "the working hours of persons while so employed shall not exceed eight hours per day."

That is the law. I am not quite sure whether the statute provides for day labour, but it certainly provides for contracts, and I think it provides for day labour on all construction work by any department of government. That is the law of the land. Am I to understand from the minister that there has been a derogation from the law in connection with these unemployment camps, particularly when they are carrying on construction work? I pause to ask the minister for a reply to that question.

Mr. STIRLING: As I pointed out before, we do not have to meet the difficulty to which the hon. member refers, because the unfortunate men who are without work and in the camps which are at present under discussion do not get wages; they receive food, shelter and certain other provisions, and they are given not a wage but an allowance of twenty cents a day.

Mr. POWER: So I am to understand that the answer of the minister is that because it is called an allowance he is permitted to violate the law of this country—

Mr. HANBURY: Because they do not call it wages.

Mr. POWER: —simply because they do not call it wages? This is what is stated in the Labour Gazette:

This act applies both to contracts for the construction, remodelling, repairs or demolition of any work for the government of Canada, and to works carried out by day labour—

And provides for the payment of wages—the government is obliged to pay wages; it is not obliged to get free work. The obligation entered into by the Canadian people with any person who is employed by the government of Canada is that he shall get wages. The provision goes further; it says that those wages shall be at the rate prevailing in the locality; it does not provide and it never was intended to provide that by calling this an allowance or saying it is free labour with a gift of twenty cents at the end of the day, the government can violate laws and repudiate the most solemn engagements entered into with the workmen of this country. I am anxious to find out by what authority this is done. I hate to use a word for which I might be called to order, but if it is simply by the subterfuge of saying that those men are not working for wages, I say to the minister that he is not serious when he tells us that. Those men are as much entitled to be paid as any other category of men. Simply because they happened when the minister picked them up to be in such a position that they could not bargain with him, is he to say: We are not going to give you any wages at all; we are going to treat you as slaves? If any individual, any ordinary employer of labour, tried to do that in any province where there is a minimum wage law, he would be put in gaol—

Mr. HANBURY: There would be a Stevens committee.

Mr. POWER: —or there would be a Stevens committee, as the hon. member for Vancouver-Burrard suggests. A very large number of persons in the industries which were severely criticized in the Stevens committee were glad to take wages of ten, fifteen or twenty cents an hour. They had never had any wages at all before those factories were established in their communities. Will he allow these sweaters of labour to say: "We are not paying them wages; we are paying them allowances," and thus get away from their responsibility? I think we shall have to appeal to a higher authority than the ministers who are at present in the house. It seems to me that all these radio sermons will have been given in vain if the very ministers in the cabinet are to be able to say: We are not paying wages; we are paying allowances; we will give the men a package of cigarettes a day and let them work eight hours. If that is to be the effect of any minimum wage laws or social legislation that may be introduced in this country under the aegis of these great reformers, I regret it very much, but I think the Canadian people will soon know what to do with such reforms and the advocates of reform as we have them on the other side of the house.

Let me tell the minister what I suspect is the authority he has. I suspect the authority he has for paying these slave wages—

Mr. HANBURY: Allowances.

Mr. POWER: —is the peace, order and good government legislation; the very legislation which was crammed down our throats and passed by closure on the plea that it was to relieve the hungry, poor and miserable of this country is being imposed and enforced in order to lower the standard of living in Canada to a degree hitherto unknown. That is what I believe is the effect of the peace, order and good government legislation and what will ever be the effect of setting up a dictatorship in this country.

I come now to another point. The minister said that the department were spending $1,200,000 in Calgary to put up a military building, erecting a stable for the horses of the Strathcona Horse and a mess room for the officers. Last year they spent at Valcartier camp in Quebec $507,889.35 for, among other things, erecting a building in which to manufacture cartridges for the army in case we ever again go to war. Why should the building for the horses in Calgary be treated so far as labour is concerned on a different scale from the building for the purpose of making cartridges? I cannot see any distinction in principle. I will tell the minister this: neither he nor any other minister would dare go into Calgary and endeavour to justify the erection of a public building with twenty cents a day labour. But he is going to try to do it in Quebec.

Mr. GARLAND (Bow River): The workers in Calgary are organized.

Mr. POWER: Our workers are organized, perhaps, but may not be so vociferous as those of Calgary, and they have not the same support in this house as the workers of Calgary have. Would the minister say that the Seaforth Highlanders armoury in Vancouver is to be erected by twenty cents a day labour? No fear. They would not dare to bring twenty cents a day labour into the city of Vancouver and take the bread and butter away from the people engaged there in the construction trades. Will they do it in any of the cities of Ontario? Will they do it in Belleville, where they are putting up a new gun shed. No fear. Will they do it in Kingston? Will they do it in Gananoque, in London, in Perth? No. But Quebec being a sane, quiet, conservative province, it is easy to say to our workmen: We will treat you well; we will give you an allowance of twenty cents a day. You do not have to be treated like the workmen of other parts of Canada; be grateful to the people who give you the job. My hon. friend says they did not even do it in Montreal, but perhaps he is not quite right, because in fact a large proportion of the men employed at Valcartier come from Montreal; they are not from the district of Quebec. The people from the district of Quebec who are in these camps are those employed in the citadel, and they are neither homeless nor indigent men; most of them are farmers' sons from the surrounding parishes, and it is these people you are using to take work away from the citizens of Quebec.

I think it is only fair that the minister should explain first how he gets away from the so-called fair wage policy, and second what argument was used by him or his colleagues or anyone in his department to bring about the decision that in one part of Canada they should carry on construction works at a fair and reasonable rate for labour and in another part should carry it on with slave labour. I think we are entitled to an answer.

Mr. STIRLING: In regard to the first reference that the hon. member has made, I have nothing to add to what I have already said. We do not pay a wage; we supply food and clothing and certain other assistance, including twenty cents a day allowance. With regard to why work is done in this way in one part of Canada and that way in another part, the work was devised in accordance with the requirements of the different parts of Canada. If there is a considerable number of unemployed men in Quebec as he has said, and there was desirable work to be done in that neighbourhood, the work was so done. In Alberta there is other work available for the single homeless unemployed for whom the dominion government is responsible. So there is in British Columbia; so there is in other parts of the prairie provinces. The men are employed in accordance with the requirements of the district where they are found in considerable numbers.

Mr. PLUNKETT: I would like to ask the hon. member for Quebec South one question. I understand that these were unemployed men who were brought or came into this camp, among whom there may be a few skilled workers. How is he going to use these men for construction work? Sometimes even in the building line men require brains, as they do in legal service. That may seem funny to the house, but it is possible. The difference between the two is that the builders produce something, while the legal services do not produce much, but live off the people. So there must be some brilliant labourers and some brilliant artisans in these unemployment camps. Would the hon. member for Quebec

South tell me how he is going to pay one man $5 a day and another twenty cents a day in that camp and have them in agreement?

Mr. POWER: It will not require any of the brilliance which is sometimes associated with the parasitic trade to which I belong to answer the hon. gentleman. Perhaps my hon. friend misunderstood me. What is going on in these camps is that skilled and unskilled labourers are building an arsenal. I am not urging the government to build an arsenal; as the hon. member for Southeast Grey has said, that is the last thing that is desirable, and it shows a remarkable lack of imagination on the part of the ministers that in this great crisis they can only think of putting up military buildings. But they are spending money to put up an arsenal with the labour of unemployed men. My hon. friend, I know, will feel, as I do, that those men should not be asked to do work which should be done by tradesmen and labourers of the vicinity. I think he will agree with me, now that he understands the question. Apparently he does not yet understand it. I shall have to send to Valcartier for some of those highly skilled artisans that he talks about to explain it to him. But now that he sees what it is about I think he will agree with me. My whole complaint—and I have been complaining for half an hour or more, probably too long—is that we are using that class of labour to carry on public works which should have been done under the Public Works Construction Act; that work of that kind should have been given to the unemployed married men who are on relief in the city of Quebec and vicinity where the work is being done. That is what should have been done; that is the whole point of my argument.

Mr. PLUNKETT: I would remind the hon. member for Quebec South that it takes an artisan or mechanic anywhere from four to six years to learn his trade. Now he is telling us that in these unemployment camps they are using men who just come in there for the purpose of putting up buildings.

Mr. POWER: Don't you use day labourers in your country?

Mr. PLUNKETT: That is not the question. I congratulate the government on their brilliance in finding mechanics in unemployment camps who can construct a building. I never heard of it before. If you engage a man to do a little work around your home, which I hope you will be able to do to help the situation, you will find that there is quite a difference between a skilled mechanic and an unskilled man.

Mr. POWER: I am sorry to say that having given myself to the service of my country I have no home. But there are something like 1,700 men in Valcartier camp, and whether or not they are competent to do the work, the work is being done. They are actually taking one brick and putting it on another, and taking a bit of cement and putting it on; they have a saw mill and are sawing up boards and taking them to another place and hammering them together, and that kind of thing. I do not know whether or not that is construction, but to me it looks like construction. Not only that, but the minister—and he is a good minister, such a good minister that he was selected from all the members from British Columbia to represent that province in the cabinet—this good minister in reply to a question put by me some time ago said they were building an arsenal. He did not say they were building it with artisans from elsewhere; he said they were building it with labour from that camp. It may be incomprehensible to my hon. friend, but that is what he is doing. Now does the hon. gentleman understand?

Mr. WOODSWORTH: I have not said anything with regard to these camps, because the ground has been so well covered by some of my colleagues. I should like, however, to join with them in protesting against these camps being placed under the Department of National Defence. That should never have been done. If we had had a labour department worth anything at all such provision for the unemployed would have been put under the labour department, where it ought to be. It is almost adding insult to injury to place the unemployed under the control of the national defence department. I am not suggesting that much of the work has not been well done; I think it has. In many ways the men are better in these camps than they might be in the congested quarters in which some would be living in the cities; nevertheless it is not a policy that as a country we should adopt in dealing with the unemployed.

Then I should like to join with my friend the member for Southeast Grey in saying that the kind of work which men should be called upon to do is necessary work. I need not traverse the ground that she so admirably covered as to the many projects that are very much needed in this country, this only half developed country of ours; yet we go on making the men mark time, as it were, for they cannot throw themselves with any enthusiasm into most of the work

they are required to do in these camps. I also feel that we are under a considerable debt of gratitude to-night to the hon. member for Quebec South for having put the case of the men so strongly. Although we say we are offering them a living, men in this country should have much more than a living. In reality it is not a living, it is only a poor subsistence. I am not going to worry whether they get a sufficient number of ounces of food to maintain them; perhaps they do. But it is a serious indictment of the policy of this country when the hon. member for Fraser Valley says that these men are getting better food than the majority of the people. I think it is a terrific indictment if the majority of the people in Canada are getting worse than they are getting in these camps. But it is not so much the quality of the food or this or the other detail; it is that the people of this country have a right to a full life, and these men are not getting a full life. You say they go into the camps voluntarily. That may be true, but what are the alternatives? As a rule the alternatives are simply two, either crime or starvation; those are the practical alternatives. When these men go out and attempt to carry on in an irregular way they are run in as criminals, but the only other alternative is for them to starve. Under such circumstances they go into the camps voluntarily. I am not so much concerned with whether they are skilled or unskilled, but I think it a serious thing that we should permit men who have spent many years in acquiring a trade to work for twenty cents a day, as I have seen them work in these camps. It is almost as bad to have unskilled men who could make a decent living if they had an opportunity working for the same small amount, call it an allowance if you like.

I am not going further into that matter to-night. On behalf of my constituents and others in this country I want to protest against the enormous expenditures which are being made in Canada for military purposes. We have formally declared that we have abandoned war as an instrument of national policy, yet we are constantly spending large sums in war preparations. I quite freely grant that as compared with certain European countries, even with England, or as compared with Japan our military expenditures are not heavy—

An hon. MEMBER: How about Russia?

Mr. WOODSWORTH: Or Russia; quite so. Their military expenditures are heavy. I quite agree that compared with these countries Canada does not spend a great deal, but I submit that in comparison with other expenditures in this country these sums are very heavy. If you put all the expenditures for national defence together, including the militia services, the naval service and aviation, most of which comes under this department, you have a total of about $15,000,000. Then if you take our mounted police, which is practically a military force, you have another $6,000,000. There you have over $20,000,000, and on top of that you have these expenditures being made for elaborate public buildings for military purposes. The case of Calgary has been cited already. We have the barracks for the militia; we are to have a new building for the permanent force and we are told that in addition we need some sort of home for the mounted police, all in our little city of Calgary, and the same is more or less true of some other cities. Where are we getting in this country? Some of us had imagined that Canada was a peaceful country, but this does not look very much like it. We cannot find the money for peace purposes. Why, it was only to-day at noon that I happened to be attending a meeting of the executive of the League of Nations Society, and I found them struggling to get enough money to carry on the distribution of their literature. They receive a net grant from this government of something like $2,000. The government can spend some $20,000,000 in national defence, but the same government throws out a mere $2,000 to an organization that is trying to support the policies of peace for which the League of Nations is supposed to stand. So we have $10,000 given to the national defence department and the allied services for every one dollar given to such an organization as the League of Nations Society. I am not here to point out the excellent work that is done by that society, but I think that is a fair way of looking at our expenditures. We spend enormous sums on national defence, so called, but we spend very little on those constructive measures which might prevent us from ever being dragged into another war.

We have a new minister this year, and I should like to direct to him some questions which I have asked his predecessors and to which I have received no satisfactory replies. Why the expenditure of this $15,000,000 by his department? For what particular purpose is this money being spent? When we consider the estimates of the Department of Agriculture, for example, we ask them why they are spending the money and they tell us of this, that and the other thing which they have in view. I should like to ask, and I think we

have a right to hear from the minister, why we need this huge expenditure of $15,000,000 in this peaceful country of ours. Has the Department of National Defence a policy for defending this country? If so I think the house should know what it is. I should like to know whether the minister has met with the Secretary of State for External Affairs, who I suppose in this case is the Prime Minister, who perhaps is overloaded with other duties and has not much opportunity to devote himself to external affairs. Even at that I would ask if the Minister of National Defence has consulted with the Secretary of State for External Affairs as to the general policies of Canada with regard to foreign nations. One of the predecessors of the present minister told me across the floor of the house that the only reason we needed an army in Canada was to keep our own unruly elements in order. I can hardly believe that he was serious in that statement, but if he was we ought to know it. Does it take this $15,000,000 to keep the unruly elements in order? If it does I think a little larger allowance than twenty cents a day would go a long way in dissipating the unrest we have in Canada; I think it would go much further than $15,000,000 spent in repressive measures. But I do not believe that can possibly be the real reason why we have an army and a navy, such as it is, in Canada; I cannot think it is the real reason.

I take it that this is more or less of a hangover from the old days when, for some reason or other, we were under the impression that preparedness was an insurance against war. That was the old idea. Is the minister convinced that that is true to-day? Surely the last war must have convinced every thinking man that those nations which were the best prepared were among the greatest sufferers. Preparedness is no guarantee whatever that we will not be dragged into another war; the contrary is the case. When we are armed we are more apt to be attacked, and sometimes perhaps we are a little more apt to exhibit an aggressiveness which is rather provocative to other nations. There would be no guarantee even if we had a large army that we would be saved from another war.

Now let us come to concrete matters. I think we ought to know who is the possible enemy that Canada is likely to face. I have said to previous ministers that I cannot very well conceive that we are going to fight the United States. I think we would be very foolish to attempt anything of the kind, and I do not think the United States has any hostile feeling towards her northern neighbour. Are we going to fight on the Atlantic or the Pacific? I think we should consider these points. Then may I point out that if we are going to defend ourselves alone, this little army and this tiny navy that we have would be absolutely useless against any large nation. What could we do with our small army and navy, even with the air force, which seems to be growing? What could we do? The next question is, are we going to ally ourselves with some other nation? Are we going to throw ourselves into a defensive alliance with the United States? That has been suggested by some people. It has been said that if Japan, for example, should break loose across the Pacific and threaten the Pacific coast, then the only possible thing for us to do would be to join forces in some way with the United States. I do not know whether these two boats of ours that now convoy the seals from the United States border up to Alaska are supposed to be sufficient to guard our shores against the attack of Japan; I cannot think it. Then are we going to enter into some sort of defensive alliance with the United States? The Secretary of State for External Affairs has never informed us with regard to that matter. I hope that when his estimates come up some hon. members will raise the question. If someone else does not do it I think I shall be tempted to do it myself, because I think we should know. I mention it at this time because it does seem to me that the policy of the Department of National Defence ought to be very closely correlated with the policy of the Department of External Affairs.

Are we proposing to enter into an alliance with the United States? On the other hand are we proposing to back up Great Britain? There have been suggestions in the last few months that the presence here of certain high officials from Great Britain would lead us to believe that some arrangement was being developed under which we would have a sort of imperial defence alliance. I should like to ask the minister, before he is through with this item, to tell us whether there is any ground whatever for believing that he or any of his officials have entered into any arrangement with Great Britain with regard to national defence. Is our air force to become a unit in an imperial air force? In considering these matters I think we have a perfect right to know whether or not something of that kind is in the wind. Further than that I think the Canadian people would like to know what the position of Canada is going to be if a war should break out in Europe, which is not an impossibility. I

remember once mentioning this matter two or three years ago and one of the ministers answered by stating simply that when I referred to war I was encouraging war. To me that is the veriest nonsense. In my view we ought to be open eyed and open minded enough to look at the possibilities. If a war should break out in Europe is Canada to be called upon to go to the defence of the motherland or of some other nations in Europe? That is a question which should be answered. I believe I would be expressing the opinion of what could be called the ordinary man in the street were I to say that if a European war broke out no Canadian troops would be allowed to leave this country to go to Europe. I believe that would be the general feeling. I should like to know whether or not that is the policy which has been adopted by the department, or whether they contemplated that Canada at some future time again might be called upon to go to the help of Great Britain in connection with some trouble concerning which until that time we had had nothing whatever to say.

Then there is the further matter of our relationship with the League of Nations. Any person who has followed closely the work of the League of Nations will know that again and again there have been discussions as to how far Canada would be involved in the event of a war breaking out in which league members were involved. I know that Canada has signed that part of the treaty with some reservations; yet we are part of the league. We would call upon the league to assist us if our borders were being attacked. Have we any responsibility towards other nations? Is it wise that our air force, we will say, should be internationalized so that it might act as a police force and go to the help of any nation finding itself in difficulty? We have never to my knowledge had a frank discussion of such matters in this chamber. Year after year we have come here and voted $10,000,000 or $20,000,000—enormous sums—but we have not inquired what all this money is for. I am not blaming the minister for not hitherto having made a statement on this matter, because he has only recently taken over the Department of National Defence. He is an intelligent man; surely he must have made some sort of survey of the whole situation. That is his department; that is his job. I say that we in this House of Commons are entitled to know something about the conclusions at which he has arrived, and that we should not simply go on voting these moneys for purposes which are very vague indeed.

I have no doubt some of the newspapers will report me as saying that, assisted by the hon. member for Southeast Grey, I made my annual protest against war. Yes, but these matters come up annually, and I am convinced the only way in which we can represent our constituencies and make our contribution to the general welfare is by stating frankly when these matters are brought before the house what we believe. I was present, and I believe a good many other members were present, at the Capitol theatre to see the showing of the picture Lest We Forget. Unfortunately I was not in a position to attend until rather late, but I did see part of the picture. I do not believe anyone could see that picture without being stirred—stirred not because it showed that finally the allies were victorious, not because some of the heroes of the war appeared on the screen and were cheered, but stirred by the thought that in a great modern war the individual is absolutely helpless, that it is all such a waste of human life and heroism. It is all a waste. One is almost obsessed with the utter helplessness of all in it. You saw those poor German boys coming up, and you felt pity for them. "They ought never to have been called to the front," you say? Yes, but our guns were blowing them to smithereens, just as their guns were mowing down our Canadian boys.

An hon. MEMBER: We cannot do anything about it.

Mr. WOODSWORTH: I think I hear someone say, "We cannot do anything about it." That is just where I differ from my friend across the way. Surely we as intelligent people must not simply throw up our hands in despair. A year ago I had the opportunity for a few moments to speak to a group of returned men, and I ventured to say to them that I thought their job was not complete until they had established peace in the world. I believe that is true; their job is not complete, and our job as citizens is not by any means complete when we choose simply to sit down helplessly and do nothing while all the time war forces are steadily extending themselves.

I suppose I am as proud as anybody of Great Britain; I think I am, but I am not proud of the fact that so far as we can see Great Britain is simply falling in line with other nations and building more and more

ships, thereby adding more and more to her military equipment. I suppose Great Britain has as much right to do that as has France, Germany or other nations; but that is not the point. I hope no hon. member will say, Oh, well, this is being said simply because I am against Great Britain, or something of that kind. That is not the idea. I go back to the atmosphere of last night's picture, and I believe no one could easily get away from the idea that we must rise above narrow nationalism if we are to get anywhere in the solution of this great problem. That is my reaction. We must rise above narrow nationalism and that narrow nationalistic spirit which has characterized us in the past, if we are to find a solution of the great world problem which confronts us.

At this time, when the estimates for the Department of National Defence are before us, I take the opportunity to state that if we simply pass them and year after year say nothing, we are not doing as much as intelligent citizens of Canada should do towards the solution of the peace problem. I do not think we are. I object to that fatalistic idea that the problem is too big for us, that we cannot do anything about it, and that we must sit down and let things go. Of course we say that if some of these times things break loose we will have a few trained men who will be able to organize our forces, drill us and march our boys away to a still greater slaughter than we had last time. I do not think that is good enough. Surely we know enough about science to-day to realize that every effect has some very definite cause. We are learning that in the medical realm; we know that certain germs are responsible for disease. Our social engineers and medical men have worked to get rid of many of the diseases which have harmed us in the past. I would urge that we apply similar reasoning and a similar technique to the great social problem now before us. I do not think that wars come out of the thin air. I do not think that they come, as we sometimes say, using a pious phrase, by "act of God" in punishment for our sins. We know perfectly well that war comes from certain predisposing causes, and we in Canada, though a small country so far as population goes, are surely one country in the world which has very considerable influence. If we are fifth or eighth—whatever it is—among the trading nations of the world, and if we are allied with a great empire on the one hand and neighbour to a great nation, the United States, on the other, surely we are in a position to do something to save ourselves from any such cataclysm as came upon the world back in 1914. I do not think we serve any useful purpose simply by going out and praying, "Give peace in our time, O Lord!" No, that will not bring peace. We have to do it in a more constructive way than that—a much more constructive and more definite way. So I plead while these estimates for the Department of National Defence are under consideration that the minister give us some outline as to what is in his mind, and as to what is in the minds of officials of the department with regard to the purpose for which these funds are being expended. Further than that, if I am not considered too idealistic, I should like to have this chamber devote a little bit of time before the estimates are passed to a consideration of the definite and constructive steps which we might take towards making our contribution to world peace.

Mr. SANDERSON: Would the Minister of National Defence be good enough to place upon Hansard a list of the relief camps, by provinces, where they are located and the number of men in each?

Mr. STIRLING: I understand that tables should not be placed on Hansard unless they are read to the house. I had the information in front of me, and for the past half hour I have been ready to read it, but at the present time it would not look as though there would be time to place the information on Hansard. It could not be completed by eleven o'clock. I wonder if it would suit the purposes of the committee if the information were tabled.

Mr. MACKENZIE (Vancouver): By consent it may be done.

Mr. MANION: I wish to say a few words, because it is obvious the committee does not intend to allow the item to pass to-night. As an ordinary citizen I resent the idea that Canada should be painted as she has been painted to-night by hon. members from various sections on the opposite side of the house, in an effort to show that so far as the treatment of the unemployed is concerned we are in a class by ourselves. Listening to this discussion, as I have been listening since eight o'clock, one would come to the conclusion that Canada alone of all the countries in the world has been having some trouble in regard to unemployment. No mention has been made by any speaker on the other side, whether among the Liberals or in the little group in the corner—and they can become more excited than the Liberals

on a question of this kind—no hon. member, I say, has admitted that at any time in the last four years the world has been going through a very serious crisis. No hon. gentleman has suggested or admitted that Canada is merely participating in a world wide crisis. But I make this statement, that Canada has come through the crisis better than any other country in the world, and I make no exception to that statement. I do not except Great Britain or any other country. According to the figures given out by Great Britain and by the United States, the two countries with which we most frequently compare ourselves, Great Britain has more unemployment according to population than we have to-day. Her figure is 2,500,000 and her population is four times ours. In other words, on that basis, we should have about 600,000 unemployed, whereas we have been 450,000 and 500,000. And in the United States it is admitted by the government itself that they have 10,000,000 unemployed. Indeed it is claimed by Green of the Labour group over there that the number of unemployed in that country is between 11,000,000 and 12,000,000, which is twice as large as ours, per thousand of population. There have been 30,000,000 unemployed throughout the world, yet Canada has taken care of her unemployed better than any other country.

The hon. member for Quebec South is usually pretty fair, but he is playing good politics; I will not question that. But he attacked us in regard to the relief camps and he called them slave camps. I do not think that was worthy of him. His predecessor of the same race who went to the provincial house used to talk about slave camps and I thought we were rid of that word when he left us, because it is ridiculous. If it is slavery to take boys who are running around getting into mischief, who have nothing to do, who have nothing to engage either mind or hand, and to bring these boys into camps and feed, clothe and shelter them, and give them a little money to spend while they are working in these camps—if that is slavery, then I know of millions of people in various parts of the world who would love to indulge in slavery of that kind.

Mr. POWER: They gave the same excuse when they took the negroes from Africa.

Mr. MANION: And as the Minister of Finance says, they go voluntarily to the camps; they are not driven there. One of my hon. friends from one of the Vancouvers complained bitterly because one of these men had been called an agitator and had been turned out of the camps. He went under an assumed name to five or six different camps and was kicked out of each one. He must have been a rotten agitator and I imagine he was well kicked out. But he asked to get back into the camps; he kept changing his name, begging his way back into the camps, and he must have liked them. I am not trying to introduce politics into this. But because I speak in a firm or fairly emphatic voice I am accused of playing politics, though my hon. friends can talk any way they like and that is not politics. I am merely stating the Canadian point of view when I say that I do not think it is good for this country that anyone should be continually describing conditions in Canada as if we treated our unemployed worse than other countries have treated theirs, when as a matter of fact we have treated ours better. No one can become so excited on this question as the hon. gentleman who has just sat down. One would think that he was the only man in this chamber who was interested in the Canadian people who are unemployed. I make this statement without fear of contradiction, that there is not a gentleman on the other side of the house or on this who is not just as much interested in the unemployed and in the poor as the hon. member for Winnipeg North Centre—no one on either side of the house, either the lady member or any hon. gentleman.

Mr. WOODSWORTH: Mr. Chairman—

Mr. MANION: Keep your seat; I have the floor.

Mr. WOODSWORTH: I would ask that that expression be withdrawn. There is nothing I said that warranted such a statement.

Mr. MANION: I have nothing to withdraw. The hon. gentleman has stood up forty times in my hearing and in a loud and emphatic voice talked about the unemployed and the injustice done them. He works himself into a passion, and if he were full blooded he would burst a blood vessel; but he is not a bit more interested than anyone else in the unemployed except to appeal to the group who are unemployed, and appeal in a demagogic way. He is not a bit more interested in the unemployed than is any hon. gentleman either on the other side or over here.

And when he starts talking about peace, can he tell me one person in all this country who suggests anything but peace? Is there anyone in Canada who does not want peace?

There are a few hon. gentlemen on both sides of the house who went over to the front, and I can say that there is no one in the whole world who wants peace more than the men who were at war. Yet the hon. gentleman talks about peace as if Canada were preparing for war. Well, after listening to a lot of this balderdash—

Mr. WOODSWORTH: Mr. Chairman—

Mr. MANION: —I have copied down—

Mr. WOODSWORTH: Mr. Chairman, I ask for your ruling as to whether that expression used by the minister—balderdash—is parliamentary or not.

Mr. MANION: It is the best I can think of.

Mr. WOODSWORTH: I ask that the word be withdrawn.

Mr. MANION: It is at least better than the word humbug, which is so often used around this house.

Mr. WOODSWORTH: I ask that the word be withdrawn.

The CHAIRMAN (Mr. Stewart, Lethbridge): I fancy that the minister did not apply that word to the hon. gentleman personally.

Mr. WOODSWORTH: I do not understand the English language if he did not, and I ask that he withdraw it.

Mr. MANION: I do not withdraw it, because I apply it to what the hon. gentleman has said in many of his speeches. It is a description that can be given his speeches.

Mr. WOODSWORTH: I rise to a point of order. I claim that the word is unparliamentary and the minister should withdraw it.

Mr. MANION: I submit it is not unparliamentary. It is as good a word as humbug or rubbish, and either one of those words would be applicable to a great deal of what the hon. gentleman has said.

Mr. WOODSWORTH: I ask for your ruling, Mr. Chairman.

The CHAIRMAN (Mr. Stewart Lethbridge): I must rule that the minister applied the word to the hon. gentleman's opinions.

Mr. WOODSWORTH: That is not a ruling. I appeal against the ruling of the chair.

Mr. MANION: That is the way the hon. gentleman takes his medicine. He sees it is nearly eleven o'clock—

Mr. WOODSWORTH: I appeal against the ruling of the chair.

Mr. MACKENZIE (Vancouver): Call it eleven o'clock.

Mr. MANION: I should like to put on record—

Mr. WOODSWORTH: I have appealed against the ruling of the chair.

The CHAIRMAN (Mr. Stewart, Lethbridge): Does the committee desire that I state the case or will the committee vote without having it stated?

Mr. MACKENZIE (Vancouver): I think, Mr. Chairman, that once the ruling of the chair is appealed against the rules are plain that the chairman must state the case in writing.

Mr. MANION: If it will save time, I will withdraw the word. I would rather sleep than spend the time in voting. I know how the vote will go. I withdraw the word if it will permit me to put on record certain figures I have here. I was going to give the cost per capita of various countries for defence purposes. Here are the figures:

Canada	$ 1 24
New Zealand	1 50
Denmark	2 18
South Africa	2 20
Australia	2 40
Japan	3 70
Belgium	4 10
United States	5 60
Switzerland	6 00
Italy	8 00
Great Britain and Northern Ireland	9 50
France	14 80

Canada is the lowest in the world. Even Switzerland spends $6 per capita, and I cannot remember from my historical reading when she was ever in a war; yet Canada, with an expenditure of $1.24, is talked about as if she were getting ready for a war. I am sure that all nations are trembling as to what we shall do with this great military power of ours.

We talk about the treatment of our people, and we hear a great deal about the wickedness of capitalism. Well, there is only one country that has tried anything but capitalism and that is Russia. And Russia has had in the last year at least 5,000,000 people who have starved to death.

Mr. MACKENZIE (Vancouver): And they have the biggest air force in the world.

Mr. MANION: Yes, and some of the greatest military defences of all kinds. No one realizes more than I do that there have been some

terrible errors committed by capitalism, but decent people of all parties in this country are trying to work out something in the way of a remedy for the condition that exists, and I submit that we should not take the attitude of always belittling our own country. We should not take the attitude that Canada has done so badly, because the fact of the matter is that she has done better than any other country in the world.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, March 11, 1935

The house met at three o'clock.

THE DEPUTY SPEAKER

ELECTION OF HON. RAYMOND MORAND, M.D., MEMBER FOR EAST ESSEX

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, owing to the unfortunate death of Mr. LaVergne last week, the office of Chairman of Committees is now vacant. This office carries with it the duties of Deputy Speaker. I move:

That the Hon. Raymond Morand, M.D., member for the electoral district of East Essex, Ontario, be appointed Chairman of the Committees of the whole house.

Some hon. MEMBERS: Hear, hear.

Sir GEORGE PERLEY: I would like simply to say that Doctor Morand has evidently made himself popular on both sides of this house—

Some hon. MEMBERS: Hear, hear.

Sir GEORGE PERLEY: —a very desirable attribute for the Chairman of the Committee. Doctor Morand is getting to be one of the older members now, as he was first elected in 1925, and I feel sure he will carry out his duties in this office with impartiality and satisfaction to both sides of the house.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): It will be apparent to Your Honour that as far as it is possible for hon. members on this side to make the motion of my right hon. friend unanimous, we are only too ready so to do. The house generally will regard the nomination of the hon. member for East Essex as a very happy one. He possesses the temperament and other qualities which eminently fit him for the position of Chairman of the Committees of the house and Deputy Speaker, and I am sure we shall all have reason to take pride in the manner in which he presides, in his impartiality and his general efficiency.

Mr. E. J. GARLAND (Bow River): Probably as far as this section of the house is concerned I have been more closely associated with the hon. member for East Essex than most others, especially in connection with the work of the radio committee. I must say that if he can handle the house as elegantly and harmoniously as he handled that committee—as I think he will—no mistake has been made in his appointment. I feel sure that we can offer him our cooperation and congratulations.

Motion agreed to.

CANADA-FRANCE TRADE AGREEMENT

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved for leave to introduce Bill No. 32, respecting the additional protocol of 1935 to the Canada-France trade agreement of 1933.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Explain

Sir GEORGE PERLEY: This bill is for the purpose of enacting changes in the arrangement between Canada and France which have been made by mutual consent, and which will appear in the bill itself

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 31 for the relief of Travor Eardley-Wilmot.—Mr. Bell (St. Antoine).

QUESTIONS

(Questions answered orally are indicated by an asterisk).

EMPIRE TRADE AGREEMENTS AND RECIPROCITY WITH UNITED STATES

Mr. SEGUIN:

Considering the results of the agreements of the imperial conference, held at Ottawa, could Canada immediately put into operation a general reciprocity treaty with the United States without previously obtaining the authorization of the British government.

Sir GEORGE PERLEY: No authorization from the British government would be necessary but in negotiating any trade treaty we must bear in mind the obligations entered into under existing trade agreements.

AUDITOR-GENERAL'S REPORTS ON UNEMPLOYMENT RELIEF EXPENDITURE IN QUEBEC

Mr. GIROUARD:

Did the auditor general of Canada, in addition to reports tabled in this house, present other reports to the Minister of Labour or to officials of his department, respecting the audit in his department and the control of amounts paid to the province of Quebec following investigations mentioned in reports already produced?

Mr. RHODES: Reports of the auditor general on unemployment relief expenditures are made to the Minister of Finance who transmits a copy to the Department of Labour. In addition to reports tabled in the House of Commons, the following reports were received:

Expenditures on relief works, city of Montreal, 1930 and 1931 acts—report dated July 6, 1934;

Provincial accounts for relief works and direct relief, 1930 act—report dated December 11, 1934.

REPARATIONS PAYMENTS

Mr. RINFRET:

1. Have all the cases of reparations claimed by civilians for war damages been heard and passed upon by the commissioner?
2. Are some of the awarded claims still unpaid?
3. If so: (a) how many claims are still unpaid; (b) for what reason; (c) what are the amounts of said claims?

Mr. CAHAN:

1. The final report of the commissioner was dated March 4, 1933, and was printed by order of parliament. It disposed of all claims not heard by previous commissioners or which had been filed to the date of the final report.

2. Yes.

3. (a) 4. (b) Claimants cannot be located. (c) $3,057.64.

ENGINEERING STANDARDS ASSOCIATION

Mr. FAFARD:

1. Is the Canadian Engineering Standards Association in receipt of a subsidy from the federal government?
2. If so, what is the amount of such subsidy?

Mr. HANSON (York-Sunbury):

1. The Canadian Engineering Standards Association is a separate corporate body, but in order to coordinate its activities with those of the National Research Council the main committee of the Canadian Engineering Standards Association has been created an associate committee of the National Research Council. This committee receives financial support from the National Research Council on the same basis as other associate committees of the council. The amount varies according to the exigencies of the work undertaken by the committee. The C.E.S.A. also receives considerable financial support from Canadian industries interested in and benefited by its activities.

2. During the fiscal year 1933-34—$2,300.

J. E. LAFORCE

Mr. POULIOT:

Referring to a telegram read by the Hon. W. A. Gordon, Minister of Labour, on April 27, 1933, in the House of Commons (Hansard, page 4326), and signed by J. E. Laforce,—

1. Was the said J. E. Laforce then employed in any of the departments headed by the Hon. W. A. Gordon?
2. If so, which one and was it his duty to report to the said minister?
3. If not, did the Hon. W. A. Gordon, or anyone on his behalf, communicate by telephone, letter or telegram with the said J. E. Laforce, before the latter sent the telegram already referred to?
4. If so, when and why?
5. Before proceeding to read that telegram, did the Hon. W. A. Gordon refer to a "committee with respect to this work"?
6. If so, what was that committee, who were the people who formed it, and what was its purpose?
7. Were any of the departments of the federal government represented on such committee?
8. If so, by whom?
9. What was the occupation of the said J. E. Laforce when he sent the telegram referred to to the Hon. W. A. Gordon, and in what capacity did he do so?

Mr. GORDON:

1. No.
2. Answered by 1.
3. No.
4. Answered by 3.
5. Yes.
6. The agreement regarding relief settlement between the dominion government and the province provides, "The province shall set up and advisory committee upon which shall be included representatives of the dominion land settlement branch, the colonization branch of the Canadian Pacific Railway, and the colonization branch of the Canadian National Railway.
7. Yes.
8. J. G. Russell, district superintendent, soldier settlement of Canada, Sherbrooke, P.Q.
9. Colonization representative, Canadian National Railway.

CANADIAN BANK DEPOSITS

Mr. COOTE:

What is the number and aggregate amount of deposits payable on demand in Canadian chartered banks in each of the following classes:—

(a) (1) Deposits under $1,000; (2) Deposits over $1,000 to $5,000; (3) Deposits over $5,000 to $25,000; (4) Deposits over $25,000 to $100,000; (5) Deposits in excess of $100,000?

(b) What is the number and value of deposits payable after notice in Canadian banks in the same size groups?

Mr. RHODES: The answer to this question will be found in the return which was tabled on the first of March.

Mr. SPEAKER: Answered.

SOLDIER SETTLEMENT BOARD

Mr. SPENCER:

How many parcels of land in the following categories have been forfeited to the soldier settlement board through the inability of the farmer to meet his liabilities since the soldier settlement board started operations (a) soldier grants; (b) homesteads; (c) second homesteads?

Mr. SPENCER: Dropped.

Mr. SPEAKER: Dropped.

NEWMARKET CANAL—CONSTRUCTION

Mr. TUMMON:

1. Through what territory was the Trent Valley canal extension, better known as the Newmarket canal, intended to be constructed?

2. How far did the construction of this canal proceed?

3. In what years was the construction carried on?

4. Who represented the constituency of North York during the years construction work was carried on?

5. Did the engineer's report provide for pumping the water into the said canal, or reservoirs, and what was the estimated cost of such service?

Mr. MANION:

1. County of York, province of Ontario, from lake Simcoe to Newmarket.

2. Total estimated capital cost, $1,011,642.87; expenditure against capital, $818,642.87; percentage completed, 81 per cent.

3. 1906, 1907, 1908, 1909, 1910, 1911 and 1912.

4. Sir William Mulock resigned his seat and portfolio as Postmaster General on appointment to the bench, October 16, 1905. Hon. A. B. Aylesworth succeeded Sir William Mulock as member for North York at the by-election of November 22, 1905, and remained until the defeat of the Laurier government in September, 1911. Mr. J. A. M. Armstrong, Conservative, succeeded Mr. Aylesworth, now Sir Allen Aylesworth, senator.

5. Yes, pumping, capital cost, $17,000; annual operation and maintenance cost, $4,000.

[Mr. Coote.]

NEWMARKET CANAL—EXPENDITURE

Mr. PECK:

1. What has been the total expenditure made on the Trent Valley canal extension, better known as the Newmarket canal?

2. Has the amount expended on the Newmarket canal extension been charged to the capital account of the Trent Valley canal?

3. Has any use ever been made of the Newmarket canal?

4. Has any money been expended on this enterprise since October, 1911?

Mr. MANION:

1. Capital expenditure..	$818,642 87
Maintenance and supervision to February 28, 1935.. ..	17,678 36
Total..	$836,321 23

2. Yes.

3. No.

4. Following decision in December, 1911, to abandon the enterprise, unavoidable capital expenditure on road approaches, etc., necessitated by the closing out of contracts, were made to the amount of $27,929.48. Additional expenditures for maintenance and supervision since December, 1911, have amounted to, approximately, $17,700.

NEWMARKET CANAL—INITIAL GRANT

Mr. STINSON:

1. In what year was the initial grant made to the Trent Valley canal extension, better known as the Newmarket canal?

2. Who was the sitting member of the riding of North York at the time the initial grant was made?

3. In what year was the work commenced and how much money was spent in that year?

4. Has there been any return from the said expenditure for power, rentals, or otherwise?

Mr. MANION:

1. Initial surveys—1904.

2. Hon. William Mulock.

3. In 1906; expenditure fiscal year 1906-07—$12,282.23.

4. Yes, $5,971.10 to date, from land leases and pasturage privileges.

UNEMPLOYMENT RELIEF—QUEBEC MUNICIPALITIES—DORCHESTER COUNTY

Mr. GAGNON:

Has the Department of Labour ever requested the Quebec provincial government to take proceedings against some municipalities of the county of Dorchester with respect to the expenditures of relief moneys, since 1930?

Mr. GORDON: No.

CENTREVILLE N.B. MAIL ROUTE

Mr. VENIOT:

1. When was the contract awarded for rural mail route No. 1, Centreville, Carleton county, New Brunswick?
2. What is the present contract price and what was the price of previous contract?
3. Who is the present contractor, and who was the former contractor?
4. What was the expiry date of former contract?
5. Were public tenders called for present contract?

Mr. SAUVE:

1. 15th December, 1926.
2. $880 and $680 per annum.
3. Edgar F. Wright in both cases.
4. 31st March, 1927.
5. Yes, on 15th October, 1926. Renewed on 10th December, 1930, and 12th November, 1934.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BILLS REJECTED BY SENATE

Mr. LAURIN:

1. How many bills passed by the House of Commons were rejected by the Senate, between 1921 and 1935?
2. What were such bills, and at what dates were they rejected?

Sir GEORGE PERLEY: Return tabled herewith.

GRAND MANAN, N.B.—WHARVES AND BREAKWATERS—TIMBER PURCHASES

Mr. VENIOT:

1. How much lumber or timber for repairs on wharves and breakwaters on Grand Manan, New Brunswick, was purchased during the last three years?
2. What price per 1,000 feet was paid for said lumber?
3. From whom was such lumber purchased, and if from more than one firm or person, how much lumber from each?
4. Are the persons from whom such lumber was purchased regular lumber dealers?
5. Were public tenders called for such lumber?

CONSUMERS COMMODITY STANDARDS

Mr. GARLAND (Bow River):

1. Has the National Research Council organized a committee to prepare consumer commodity standards?
2. If so, what is the specific purpose of this committee?
3. Will the specifications developed by the committee be available on request to provincial, local and institutional authorities in Canada?
4. Will those specifications for commodities in common use be published so that individual consumers may avail themselves of the guidance contained in the facts?
5. Will individual consumers or the public generally be able to learn of the products by name, which conform to the government standards?

Mr. HANSON (York-Sunbury): Return tabled herewith.

WAR PENSIONS REDUCED

Mr. GARLAND (Bow River):

1. How many war pensioners have had their pensions reduced during the years 1931, 1932, 1933, and 1934?
2. What is the total amount of the reduction?
3. How many war pensioners have had their pension completely cut off in each of the years 1931, 1932, 1933, and 1934?
4. What is the total amount involved?
5. How many ex-service men in receipt of war veterans' allowance have had their allowance reduced or totally cut off during each of these years?
6. What is the total amount involved?

MOTIONS FOR PAPERS

KINGSTON PENITENTIARY

Miss MACPHAIL:

For a copy of all papers, correspondence, and reports, of inspections made of the Kingston penitentiary by Inspector Dawson and interviews of Inspector Dawson with inmates in the same institution between February 1, and July 1, 1934.

Mr. GUTHRIE: Mr. Speaker, there is no objection to this motion passing, but it will be subject to all proper reservations in regard to confidential documents and information in regard to prisons.

Motion agreed to.

MEYRONNE, SASK., POSTMASTER

Mr. DONNELLY:

For a copy of all letters, telegrams, correspondence and other documents in the possession of the Post Office Department or any member of the government, from June 1, 1934, to date, in connection with the change and appointment of a postmaster at Meyronne, Saskatchewan.

L'ILE-AUX-GRUES, SIGNALS SERVICE

Mr. FAFARD:

For a copy of all correspondence passed between the Minister of Marine, and any person or persons, with respect to the signals service at l'Ile-aux-Grues, Montmagny county, Quebec, from the 1st of May, 1933, to date.

GRINDSTONE, N.B., LIGHTKEEPER

Mr. VENIOT:

For a copy of all correspondence, reports on examination and names of applicants in connection with the appointment of the lightkeeper at Grindstone, New Brunswick; also a statement showing the rating of each applicant in the examination, both verbal and written, which took place in May, 1934.

UNEMPLOYMENT RELIEF POLICY

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): In view of the fact that the fiscal year ends on the 31st of March might I ask the Minister of Labour (Mr. Gordon) when he expects to make an announcement to the house with respect to the government policy concerning the unemployment relief situation for the ensuing year.

Hon. W. A. GORDON (Minister of Labour): The policy to be adopted by the government with respect to unemployment of course has been under consideration constantly. The measure I trust will be introduced in the course of the next few days, and when it is introduced it will disclose what the government will ask from parliament in the way of authority to carry on work in connection with assistance to the unemployed and to the provinces whose primary duty it is to take care of matters of this character.

VAUTRIN COLONIZATION SCHEME

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): I should like to ask the Minister of Labour (Mr. Gordon) if he has given his final answer to the proposal made by the government of the province of Quebec in connection with the expenditure of $10,000,000 to send young people back to the land, otherwise known as the Vautrin colonization scheme. I saw an announcement in the press the other day in this regard and I should like to ask if the minister has finally concluded not to participate in that scheme.

Hon. W. A. GORDON (Minister of Immigration and Colonization): The Vautrin plan was brought to my attention and, through me, to the attention of the government some weeks ago, following the address made by Mr. Vautrin to the convention he called together at Quebec to consider this plan. Of course I am and always have been agreed that there is a very great deal of room for the activities of all those engaged in colonization in connection with our own people here in Canada. I believe I am correct in stating that such colonization is one of the matters coming directly within the ambit of provincial activity, particularly in view of the fact that at the moment, as for some time past, all the lands capable of being used for this purpose belong to the provinces.

The matter was given very great consideration by me, and my views were laid before the government. I do not believe the dominion government should participate in a colonization plan of this character. Members of the house will remember that assistance was offered and given in a modest way, with no limitation being placed upon the number that could be assisted, but this was not in the nature of a state-aided colonization plan; rather it was a plan that we hoped would appeal to the provinces and the municipalities. To a considerable measure it did appeal to them and was taken advantage of by them. If my recollection serves me right the agreements with the provinces, with the exception of Prince Edward Island, are still in force and the plan outlined was in fact entirely in the nature of a plan to relieve unemployment to the extent that it would place people on the land; it was a relief plan pure and simple. It may be that time will disclose the desirability of the dominion government assisting provincial colonization plans, but at the moment the decision of the government is that assistance will not be given to such a plan as the Vautrin scheme.

ILLNESS OF PRIME MINISTER

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): I regret to have to inform the house that the Prime Minister still is not very well and will be confined to his apartment for some time yet. His medical adviser, Dr. R. S. Stevens, has given me the following statement:

> The Prime Minister's recovery was uneventful until Thursday last, when he suffered a syncopal attack. Following this there was some disturbance of cardiac rhythm. This has now disappeared, and his general condition is improving. This, which is not serious in itself, necessitates further rest. The respiratory infection which appeared February 24, with long continued overwork and strain, undoubtedly precipitated his illness.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I hasten to say to my right hon. friend that I am sure all hon. members of this house will learn with very deep regret that the Prime Minister's indisposition is as serious as is indicated in the communication just read. We will all hope, with the acting leader of the government and hon. gentlemen opposite, that by taking the rest which his physician has advised the Prime Minister may have not only a speedy but a complete recovery, and that he may soon be back in this house again. May I say to my right hon. friend that in the meantime if by arrangement with him I am able to do anything to facilitate and expedite the business of the house in the absence of the Prime Minister I shall feel it

a privilege so to do. I am sure that in saying this I am only voicing the will and wish of all the members of the opposition to cooperate with the government in order that there may be occasioned as little in the way of embarrassment as possible.

Sir GEORGE PERLEY: May I, on behalf of the Prime Minister, thank the right hon. gentleman for his kind words. I shall certainly see that they are placed before the Prime Minister at the earliest opportunity.

MINIMUM WAGE

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, with regard to the draft convention appearing on the orders of the day for to-day, and in connection with the creation of minimum wage fixing machinery may I say that I have before me the journal of the League of Nations, and although the convention appears on the order paper to have been passed in the month of June, 1928, I do not find it. May I ask the acting Prime Minister if he would be good enough to see to it that the page number is given when the matter is under discussion?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, I shall see the question in Hansard, and from that I shall be in a position to prepare the answer.

BUTTER PRICES

On the orders of the day:

Mr. E. O. BERTRAND (Prescott): Mr. Speaker, before the orders of the day are called I should like to put a question to the acting Prime Minister (Sir George Perley), in view of the fact that the Minister of Agriculture (Mr. Weir) is not in his seat. My question is based on an article appearing in the Border Cities Star of Friday, March 8, and stating that while butter sells in Windsor at twenty-seven cents per pound it sells in Detroit at forty-five cents per pound. Would the acting Prime Minister be kind enough to explain the difference in prices between these two points?

Sir GEORGE PERLEY: I believe the hon. member has read only a newspaper statement, but although the Minister of Agriculture is not present to-day I shall have him look into the matter.

Mr. BERTRAND: If the statement is accurate may I expect an answer from the acting Prime Minister to-morrow?

Mr. STEWART (Leeds): No hurry.

92582—100½

TORONTO SUBURBAN RAILWAY

On the orders of the day:

Mr. V. C. PORTEOUS (North Grey): Mr. Speaker, in view of the fact that there are in my constituency a number of holders of Toronto Suburban Electric bonds I should like to ask the Minister of Railways and Canals if recently there have been any negotiations with respect to the interest rate upon retirement of those bonds?

Hon. R. J. MANION (Minister of Railways and Canals): The hon. gentleman told me a couple of days ago that he was going to ask the question, and because in the past other hon. members have asked similar questions, I made inquiries about the matter. I find that before the settlement was made as of June 30, 1934, there were outstanding of the Toronto Suburban Railway Company four and a half per cent first mortgage debenture stock on the Canadian register £267,739 and on the London register £272,261. That is an amount which in round figures would total a little more than £500,000. Since then there have been redeemed on the Canadian register, up to March 6, 1935, £253,537 and on the London register up to February 6, 1935, £271,561. This leaves a balance outstanding out of little more than £500,000 of only £10,094 on both registers.

OTTAWA AGREEMENTS

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, one day last week the hon. member for North Timiskaming (Mr. Bradette) asked a question regarding an article signed by F. J. Savage and which dealt with the Ottawa agreements. I have made inquiry and in reply I would say to the hon. member that the government of the United Kingdom has not indicated to the Canadian government any intention or desire to revise the trade agreements entered into between the United Kingdom and Canada in August, 1932.

EIGHT HOUR DAY

BILL TO LIMIT HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS

Hon. W. A. GORDON (Minister of Labour) moved the second reading of Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the

general conference of the international labour organization of the League of Nations, in accordance with the labour part of the treaty of Versailles of 28th June, 1919.

Right Hon. W. L. MACKENZIE KING (Leader of the opposition): Mr. Speaker, my purpose in rising is not to oppose the second reading but simply to say that I believe the hon. member for Quebec East (Mr. Lapointe) wished to say something on the bill on second reading. However what he has in mind to say can, I imagine, be said as well on the motion for third reading, which I presume will not be moved to-day. When the resolution on which this bill was founded was before the house both the hon. member for Quebec East and myself made some remarks concerning it. Anything I might say at this stage will, I believe, have been covered by what has already been said.

Motion, agreed to, bill read the second time, and the house went into committee thereon, Mr. Morand in the chair.

The CHAIRMAN: Hon. members, before beginning my duties I should like to thank you for the manner in which my appointment was received, and for the very friendly words which have been said. My only hope would be that when I leave the office I may carry with me the same friendly feelings.

Mr. MORAND (Translation): I am really happy to thank the hon. members of this house for my appointment.

On section 1—Short title.

Mr. POULIOT: Mr. Chairman, before proceeding with the discussion I should like to direct the attention of the Acting Prime Minister to a question I asked on February 26, and which is reported at page 1201 of Hansard. Upon that occasion I directed attention to article 19 of the convention, which appears at page 109 of the votes and proceedings for February 8. Article 19 is as follows:

> Each member which ratifies this convention agrees to bring its provisions into operation not later than July 1, 1921, and to take such action as may be necessary to make these provisions effective.

On February 26 I asked the following question:

> Whereas the eight hour day convention appears to have lapsed since 1921 is it the intention of the government to proceed with the bill based on such convention? This is stupendous, but it lapsed fourteen years ago.

The right hon. Acting Prime Minister answered as follows:

> In answer to the hon. member for Témiscouata may I say this matter will be brought

to the attention of the Prime Minister, and the question may be asked when the resolution standing in his name is before the house.

Sir GEORGE PERLEY: On February 26, Mr. Pouliot asked if the government proposed to proceed with a bill based on a convention which lapsed fourteen years ago.

This argument is based on the wording of article 19 of the convention, which provides that each member which ratifies this convention agrees to bring its provisions into operation not later than July 1, 1921. Such articles fixing a maximum time limit for the bringing into operation of the provisions of conventions, were inserted in conventions adopted prior to 1928 in order to facilitate their entry into force for different countries at the same time. States members of the international labour organization are, of course, free to ratify conventions at their own time, and, moreover, they clearly cannot be obliged to bring a convention into operation before they have ratified it. In conventions adopted since 1928 no such article purporting to fix a maximum time limit appears. The article in question has no application to members ratifying after the named date, and such members are bound by the convention from the date of the registration of their ratification in accordance with the provisions of article 18. In support of this view two facts may be cited:

(a) The constant practice of the members of the organization, many of whom have ratified conventions after the named dates and have been considered as bound from the date of registration of the ratification;

(b) The view taken of the article in question by the international labour conference in 1928 when it was agreed to suppress it as superfluous in future conventions. In 1927 Mr. Morellet, the legal adviser of the international labour office gave it as his opinion that the legal force of articles such as article 19 of the hours of work convention was as follows:

> When a state ratifies after the date fixed by the clause, the clause has no effect for that state; when, on the contrary, a state ratifies before this date, it has the benefit of a waiting period and may abstain from applying the convention until the date fixed.

It might be pointed out that nineteen countries have ratified the convention limiting hours of work since July 1, 1921, the date cited in the article on which Mr. Pouliot bases his case that the convention has lapsed.

Mr. POULIOT: I thank the right hon. gentleman, but at the same time I know that no country is bound by that convention.

Section agreed to.

On section 2—Industrial undertaking.

Mr. STEWART (Edmonton): I have had representations from small saw millers who have been in the habit of employing men both in the mills and in the woods ten hours a day, and as the work is intermittent I take it it comes under the provisions of this bill and will not be interfered with, or at any rate an adjustment may be made by order in council under section 10.

Mr. GORDON: That is correct.

Mr. MITCHELL: The workers employed in restaurants and hotels are not included in this bill. I believe that if the government investigated the conditions in this occupation they would probably find that the hours of labour are longer and the conditions more intolerable than in any industrial establishment in Canada, and I see no reason why these men and women should not be included in the provisions of this bill. Quite recently I went into a restaurant in this city and asked a man how many hours a day he worked and he said he worked 365 days a year and ten hours a day, from eight at night until five o'clock in the morning. If it is essential that there should be an eight hour working day in the industrial structure of the country, I think it is just as essential, and just as practical, for the government to provide that these same conditions surrounding the hours of labour should be enforced in the restaurants and hotels of the country. A large number of workers are involved, and the enforcement of legislation such as this in all these establishments would be comparatively simple; indeed, it would be far more simple in my opinion than the enforcement of the law in some of the outlying districts where this legislation will govern those employed in mines, quarries and industrial establishments. I would ask the Minister of Labour why the government leaves outside the jurisdiction of this legislation so large a body of workers, who in my opinion are vitally in need of legislative action to curtail the intolerably long hours and to improve the conditions that exist in many sections of this particular calling in Canada.

Mr. GORDON: We can all sympathize with the class of workers to whom the hon. member has referred. This legislation however is based upon the convention which was ratified by this parliament and which interprets "industrial undertakings." The bill follows the convention very closely; in fact, throughout it follows the wording of the convention itself. Moreover, it must be remembered that the provinces have legislation which covers the very point the hon. member has raised, and the process provided by the various provincial statutes can be resorted to. It may be that the future will disclose some method whereby this parliament can assist the provinces in working out plans to relieve these workers, who perhaps do not come within the scope of the convention and of this bill. But inasmuch as the bill follows the convention, I am afraid that at present the workers referred to by the hon. gentleman will have to resort to provincial legislation, which covers their situation.

Mr. MITCHELL: The legislation in Ontario governing this class of workers is not worth the paper it is written on. While I am aware that this bill is based on the convention of the international labour office, I would point out that the convention lays down only a minimum; there is no regulation, there is no law, there is no advice to any government as to how far it shall go beyond the minimum fixed by the convention. If I am not mistaken, the hours of labour permitted under the factories act of Ontario are limited to sixty a week. I could understand the minister's position if this were a peculiar industry where regulations would be difficult or the enforcement of the law would present obstacles, but I see no reason why the men and women engaged in this particular calling should not come within the jurisdiction of this act, because the women and girls are more or less defenceless. Indeed, that might be said of the occupation generally. I suppose it is fair to say that the wages paid in the catering business are among the lowest in the dominion. Before this section is passed I think the minister should take into serious consideration the suggestion I have made. I think it would be well to let the section stand until the government can come to a decision to include the men and women engaged in this industry, from one end of Canada to the other, within the provisions of this bill, so that they may have the benefit of the eight hour day.

Mr. MACKENZIE (Vancouver): In the various provincial acts there are certain specific exemption and exceptions. In the British Columbia hours of labour act, section 6 provides:

> The limit of hours of work prescribed in section 3 may be exceeded in case of accident, or in case of urgent work to be done to machinery or plant, or in case of force majeure, but only so far as may be necessary to avoid serious interference with the ordinary working of the undertaking.

In one of the communications we have received from some of the business interests I find the following:

We would not like to see a dominion law because in rush periods such as the fishing and the berry season, when there is a heavy, seasonable demand for packages, we find it necessary at times to work some of our men overtime. In British Columbia we can get quick action in the way of procuring permits for such overtime but if legislation came from 3,000 miles away we might be faced with a difficult situation.

Where there are exemptions or exceptions by agreement between the industry and the workers and a permit is received from the board of administration, would this legislation cover such cases as are now protected by legislation in the various provinces.

Mr. GORDON: That is dealt with in section 10.

Mr. MACKENZIE (Vancouver): That is wide enough to cover the point?

Mr. GORDON: I think so.

Mr. THOMPSON (Lanark): Will this act apply to cheese and butter makers? Paragraph (b) refers to industries in which materials are transformed, and in my opinion that would include the cheese and butter industries. They of necessity work over eight hours a day. Again, what about the night watchmen in factories and other places of business, most of whom work twelve hours? Will it be necessary for these firms to go to the expense of having two shifts of night watchmen? I suggest that this will demoralize the cheese factories in eastern Ontario if we are obliged to put two cheesemakers on the job during the day. Some provision should be made to exempt night watchmen and men engaged in cheese and butter factories.

Mr. MacINNIS: With reference to employees in restaurants, I do not think that the minister can very well shelter himself behind the convention. As already stated, the convention only lays down broad general principles, and it is not necessary to conform to these principles in enacting legislation for national purposes. Each country will accept the convention as a minimum, but may go as far as it likes in extending the eight hour day law. In regard to restaurants, perhaps they could be included under such industries where articles are manufactured, altered, cleaned and so forth. In restaurants, eggs are manufactured into omelettes and into various other things as well, so that possibly restaurants could be brought under this clause. But we should not forget the restaurant employees, particularly where this work is being carried on by women. The work is arduous where the women are on their feet for long hours in the day and the time should not in any case exceed eight hours a day. Some time ago I made some inquiries into this matter similar to those made by the hon. member for East Hamilton, and I found cases where young girls were working for twelve hours a day. As regards the particular place where I made the inquiry, I found out that the employees have now been put on an eight hour basis. But as the dominion government has assumed the responsibility of putting legislation of this kind on the statute books, we should make it as broad as possible, particularly so as to cover such people as waitresses in restaurants.

If we are not taking these clauses seriatim, I would like to ask whether paragraph (d) referring to transport of passengers by road included taxi drivers.

Mr. VENIOT: I want to draw the attention of the minister to a particular case, and I would like to ask whether in his opinion clause 10 would apply there. Let us take for instance the canning factories, and I refer particularly to the fish canneries in my own county as I am more familiar with them. The employees have to work in those factories very often according to the tides and at times they will have to exceed the eight hour day specified under this legislation. Is there anything to prevent punishment of those exceeding the eight hour day in a case of that kind? The offence is punishable, and as I say these employees very often have to work according to the tides; they may have to work six hours at one time and perhaps eight or nine at another. I understand that under this bill they cannot do so without being subject to punishment for violation of the law.

While I am on my feet, may I draw the attention of the minister to another case? Let us take stream driving. I understand that this comes under this legislation because it is preparatory to the manufacture of lumber; I may be mistaken, it may not come under it. The men have to work short hours some days and very long hours at other times in order to take advantage of a freshet to bring the lumber down the stream. Often the work starting at from seven to ten o'clock in the morning will have to continue until late at night in order that full advantage may be taken of the condition of the water in the river at the time. I would like to know whether this bill would prevent the carrying on of that business as it has usually been carried on in the past.

Mr. HANSON (York-Sunbury): If I may be permitted to answer, I think I can visualize what the hon. member for Gloucester has in mind, especially in the bay of Fundy where there are very high and low tides. I think the sardine industry is a case especially in point. The fish are caught at the low water period; they are carried by the carrier to the factory which they reach at about half tide. Then they have to be dealt with immediately no matter what time of the day or night it may be, because decomposition sets in rapidly. Such a case would come under clause 10. The same would apply to spring driving; the legislation is not intended to interfere with that.

Mr. NEILL: Salmon canning?

Mr. HANSON (York-Sunbury): The same thing would apply.

Mr. MacINNIS: Would the minister reply to my question in regard to taxi drivers?

Mr. GORDON: My view is that the legislation would apply to taxi drivers.

Mr. MACDOUGALL: Clause 2, paragraph (a) reads:

In this act, unless the context otherwise requires, the term "industrial undertaking" includes:

(a) Mines, quarries, and other works for the extraction of minerals from the earth.

In regard to coal mining in Nova Scotia, from my association with the miners' unions, I believe it is a great bone of contention with them whether the eight hour day should apply to what we call "bank to bank" or to the working face. If this were interpreted to mean an eight hour day at the working face, the coal miners of Nova Scotia would really be working about nine hours a day; but if it means from bank to bank, then the eight hour day would probably mean seven and a half hours at the working face. That is what they have been striving for through their unions for many years, and I hope the legislation will be interpreted so that it will mean an eight hour day from bank to bank.

Mr. GORDON: I am not particularly acquainted with conditions under which the coal miners work in Nova Scotia. I would like to be informed as to what agreement the miners are working under at the moment.

Mr. MACDOUGALL: In Nova Scotia the eight hour day is statutory and it is an eight hour day at the working face, but the objective of the miners is to have an eight hour day from bank to bank. Probably I use some technical terms unfamiliar to the minister, but the miners are very much concerned about the matter and I would like to see the legislation cover the miners' objective.

Mr. POULIOT: Will this legislation be applied to the printing bureau?

Mr. GORDON: My view is that the interpretation of "industrial undertaking" would not include the civil service.

Mr. MacINNIS: Would it not include such services as are engaged in construction work in connection with maintenance, repairs, alterations, demolition and so forth? Surely the dominion government is not going to be exempted when private employers come under the legislation.

Mr. GORDON: The civil service is now working under an eight hour day in matters like those to which the hon. member for Vancouver South has referred. In all cases where the dominion government is repairing or demolishing buildings or doing anything of that character, the work is always done on an eight hour day basis as covered by the statute.

Mr. ELLIOTT: I would like to ask the minister whether he has considered the question of the effect of the supreme court decision as reported in 47 Supreme Court Reports at page 505 in regard to hours of labour. I do not propose to argue the matter, because it has been referred to before and will be dealt with later, but before the clause passes I would like to direct the minister's attention to that decision which is one bearing directly on this question, and it is clearly to this effect:

That the matter of labour in industrial undertakings in Canada, is primarily within the competence of provincial legislatures, but parliament can legislate as to labour in territories not yet organized into, or forming part of, a province and as to labour of servants of the dominion if these are within the scope of the draft convention.

I just wanted to call the minister's attention to the fact that this decision is not referred to in either the radio decision or the aeronautics decision which were relied upon by the Prime Minister as possibly giving jurisdiction. So far it has not been referred to, distinguished or overruled, and of course I take it that it stands. I do not propose to argue the matter at any length, but I wanted to know whether the minister had considered it. Surely this decision, as it stands, makes this legislation entirely ultra vires.

Mr. GORDON: Of course I am not unacquainted with the decision to which the hon. member has made reference. We have either

heard in this chamber or read very able arguments made in another place in this parliament by a number of lawyer members of both chambers. I was very much interested in hearing the argument of the Prime Minister, and the very clear and lucid argument of the hon. member for Quebec East, and in reading in the minutes of the Senate the arguments of those who so clearly spread upon the record their views as to whether this legislation is intra or ultra vires this parliament. I do not know that I can add anything to what has been said by those gentlemen. I think perhaps it would do us good as lawyers to read with care the arguments that were advanced. There are many nimble minded men in the legal profession and some I presume in other professions, as well as profound philosophers who have spoken and written about questions of this character. This parliament has, with perhaps some reservations, agreed to the principle which underlies this legislation. I believe that hon. members of this chamber are profoundly concerned, not so much with those arguments, lucid as some of them were, and obscure as were others, with respect to the constitutionality of the measure, but about the great majority of the people of this country who desire the passage of this legislation and who I think we all believe will be very greatly benefited by it and by its proper administration. Therefore while the hon. member for West Middlesex has raised the question of this decision of our supreme court, I can only repeat that I have listened to and read the very illuminating arguments on this point that have taken place in this chamber and in another place during recent weeks. I can add nothing to or subtract nothing from them, I think they have covered the ground pretty well.

Mr. MACKENZIE (Vancouver): I asked the minister a question a few minutes ago as to having some uniformity with provincial legislation as far as exceptions and exemptions were concerned. The question I now ask is consequent on that. Take for example an industry in British Columbia, some 3,000 miles from the minister's office in Ottawa; does he contemplate having provincial machinery there which can be appealed to in a moment in case of an industrial accident where an exception specified in provincial legislation can be resorted to, or what does he contemplate to meet an emergency situation of that kind?

Mr. GORDON: Section 10 of this bill reads:

10. (1) The governor in council may also make regulations permitting —

[Mr. Gordon.]

(a) permanent exceptions to the limits of hours of work fixed by this act in case of preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of an establishment, or for certain classes of workers whose work is essentially intermittent;

Then of course section 7 covers other exceptional cases. I had hoped that we would take the sections up seriatim, but since we have not adopted that course I will try to deal with points as they arise. I have given that section a great deal of thought, having regard to just such situations as referred to by the hon. member. I know of cases in various parts of Canada which it would perhaps be extremely difficult if not impossible to bring exactly within the four corners of the bill. When section 10 is under discussion I was going to ask that it stand and perhaps by that time I may have an amendment to suggest, if there is doubt here—and there may be—as to whether or not subsection 1 (a) of section 10 goes far enough to exempt from the operation of the bill some of those undertakings which in the very nature of things would have most difficulty in complying with the requirement of an eight hour day. The danger of course always is that a bill which is reformatory in its character and, we all hope, remedial in the best sense of the word, by providing for exemptions might itself be imperilled or destroyed. That situation must be avoided. I think perhaps section 10 might be amended, placing in the governor in council some further or more definite authority, so that these exceptional cases can be dealt with by regulations which, at any rate until they are shown to be insufficient, will be permanent in their nature, and can be subject to prompt revision to suit conditions or emergencies which might arise, particularly in avocations such as the hon. member for Vancouver Centre suggested. These occur mainly in the northern parts of Canada and are not referable so much to the highly industrialized centres. I will speak to this point again when section 10 is under discussion.

Mr. MACKENZIE (Vancouver): One further observation, because this is very important to us in the far west. Section 10 (b) refers to temporary exemptions. My point is mainly with respect to the machinery which the department would use in making immediate decisions as to possible temporary exceptions made necessary either by accident or by other causes referred to in the provincial statutes. Could the minister for instance contemplate the possibility of using these provincial boards which are now administering eight hour legislation in the various

provinces, or would they have inspectors in the various provinces with authority to make immediate decisions with regard to these temporary exceptions?

Mr. GORDON: I believe that the industries that might be seriously affected can be sufficiently identified and are sufficiently well known that all these conditions can be taken care of in the regulations. The regulations of course would be subject to revision from time to time. I can well understand that legislation of this character to be effective must be progressive in its nature. It has to be understood and administered in such a way that industry will not be impeded, and those for whom the legislation was specially passed will not have their position imperilled. There will have to be a great deal of thought given to the regulations, and when we come to section 10 I may suggest that the powers of the governor in council be made more clear with respect to framing regulations applying them to industrial conditions such as those to which the hon. member for Vancouver Centre and others have referred.

Mr. MITCHELL: In doing that it must not be forgotten that this act can be regulated out of existence.

Mr. GORDON: I stated that.

Mr. MITCHELL: I do not like to see those powers there. Take the Lord's Day Act, it was considered a great thing, but the ink was hardly dry on it until, in my judgment, it was made useless by regulations. This act can be regulated out of existence. I have had some experience in connection with the reduction of the hours of labour, and I do not know of any case where long hours are worked to-day in which they could not put up the best argument in the world why such hours must continue. It will take some ingenuity on the part of employers to meet legislation of this description. They will have to sit down and think their way through. The act will not be worth much if the governor in council has the power to except so many people from its provisions by regulation. And what is more important is that the people who frame the regulations shall be sympathetic to the purpose of the act. I believe that in the next ten years we shall go a long way further than the provisions of this act; this merely lays the foundation stone. If we can jump the legal hurdles that have been put up by some people on this side of the house, in my judgment it will be the greatest contribution made by this parliament in connection with social legislation, and I hope the government is successful, and that those on this side will be able to follow in their wake if they are the next government.

Mr. MACKENZIE KING: I would like to say just a word by way of correction of what my hon. friend has said. He has spoken about political hurdles which he says have been put up by this side. This side has put up no hurdles whatever. Attention has been drawn by this side to what appear to be hurdles actually in existence, but that is a very different thing from being responsible for putting them up.

Mr. MITCHELL: I did not mean political hurdles, I said legal hurdles. I am not questioning for a moment the sincerity of the men who have come to certain conclusions. But in my judgment, taking a long view of the thing, it is absolutely essential that we should take national action on these very vital questions, if democratic institutions are to be preserved. If we think we can carry on indefinitely in this country with a million and a half people on relief, and place obstacles of a constitutional character in their way, we are just fooling ourselves, that is all. I believe that sincerely; I am just as sincere in that statement as those hon. members who take the position that this measure is what the lawyers call ultra vires. I am not one given to extravagant expressions of opinion, either in this house or back in my own city.

Mr. GORDON: Some call it intra vires.

Mr. MITCHELL: Some call it that, but whether it is ultra vires or intra vires, I think we should press it to a conclusion.

Mr. MACKENZIE KING: Speaking about fooling one's self, I submit it may be only fooling one's self to assume that this parliament has power to do things which the courts may hold it has not power to do. In pointing out that the last word in the question of ultra vires or intra vires is going to be given by the courts, no one is seeking to block any legislation; we are rather seeking to hasten the day when what may be an obstacle will be removed and the proper method of procedure adopted.

Mr. MacINNIS: The only way to hasten the day when the obstacles in the way will be removed is to keep hammering away at the legislation, and very little along that line has been done federally. We have a good deal of social legislation on the statute books of the various provinces; we also have

dominion legislation of that kind, but all this legislation is largely a dead letter because the employees engaged in the particular industries dare not draw the attention of the authorities to infractions of these laws. I think that has been brought out quite clearly in the investigation that has been going on here in the last year.

I do not think the people for whom the hon. member for Vancouver Centre was speaking need feel concerned about the rigidity of the act. I feel that it will have to be very rigid and definite, but that does not mean that in its operation that rigidity will be continued. If the employers concerned have proper regard for their employees, with proper understandings and agreements, I think, there will be no difficulty in getting the employees to carry on in any emergency. I speak with some knowledge; I have been engaged in industry and have to had to do with employers. I know that where employees are decently treated and consulted by their employers there is no difficulty at all in getting such employees to carry on in an emergency. There is scarcely a law on our statute books which would not defeat itself if it were administered according to the terms and letter of the statute. That cannot be done. I have in mind particular regulations in regard to street car service in the city of Vancouver, and I presume the same situation prevailed in other cities. I remember that the legislature passed very drastic regulations in regard to the operation of the street cars in Vancouver. We drew the attention of the management to the fact that the street car service could not be operated if all the regulations were carried out, and we had a letter from the attorney general of the province telling us to carry on as we always had done.

The point I wish to make now is that if this law is to be enforced—I have not in mind now the question of whether or not it is ultra vires—it can have application only in those industries where the workers are well organized. In that regard I might say that if the government wish to see the legislation bring forth fruit they should promote organization among the employees of industry in this country. I agree with the hon. member for East Hamilton; I have no fear that the law may become too rigid. We are all reasonable people where our living is concerned, and those engaged in industry certainly are not going to advocate the sabotage of industry if it is carried on by the employers in a reasonable manner, and if the employers do not attempt to take advantage of openings that the legislation may give them.

[Mr. MacInnis.]

Mr. REID: I wonder if the minister could tell the committee how many provinces have legislation along these lines at present.

Mr. GORDON: I believe eight of the provinces have some legislation along these lines. I have not under my hand a review of the provincial legislation, though I could easily procure it.

Mr. GARLAND (Bow River): I wonder if the minister could give the committee any approximate estimate of the number of persons who will be benefited by this legislation. My impression is that most of the industries, and certainly all the major industries, in the country already have the eight hour day in operation, and I am just wondering to what extent this legislation will be of direct advantage, if the minister has any figures on that point.

Mr. GORDON: I could procure approximate figures, but I would say that on the general horizontal across Canada perhaps 35 per cent would be affected by this legislation. I make that statement, of course, subject to correction. I have seen the figures but I am not able to carry them in my head.

Mr. GARLAND (Bow River): Could the minister give the committee a general list, not in any great detail, of the industries in which the eight hour day does not now apply?

Mr. GORDON: No, I have not the figures before me.

Mr. MITCHELL: Before this section is carried I want to refer once more to the hotel and restaurant employees. I think they should come under the provisions of this act. I do not want to go over all the ground I covered a few moments ago, and I am fully aware that the minister does not care to make a snap judgment on the matter, but the reason he has given as to why these employees are not under this legislation is not satisfactory to me. Through you, Mr. Chairman, I would ask the minister to let this section stand, to study the matter for twenty-four hours and see whether it is not possible to include this large army of workers who, perhaps more than the organized labour movement, need the advantage of legislation of this description. We know that the average girl goes to work as a stepping stone to getting married, for better or worse, and it is hard to organize them. It is only natural that many employers should take advantage of this fact, and that statement applies to the industry in general. In normal times it is an industry in which the labour turn-over is very high; men go into and out of it as a matter of course, and in my

judgment it would be a really constructive measure if the government could see its way clear to include these employees under this act. So I would ask the minister to let the section stand for twenty-four hours in order that he might go into the matter.

Mr. GARLAND (Bow River): I want to endorse that suggestion. I do not need to stress it further; I believe the minister is just as sympathetic as we are, and he knows that the employment of young people—and there are large numbers of very young people employed in restaurants and hotels—for these long hours is detrimental to their general health. It is not a happy condition for the country, and now that we are applying a general eight hour law surely we should make that law apply to hotel and restaurant services. I do not see why those people should be exempted; there is no good reason for it. The fact that they do not come within the socalled interpretation of the labour conventions does not prevent the government providing that paragraph (b) of section 2 should include these employees. They alter, clean, do ornamental work, adapt for consumption, transform materials for use, and so on. I would like the minister to consider this matter carefully.

Mr. CANTLEY: I do not think there can be any possible doubt as to the advantage of an eight hour day; as a matter of fact we have had the eight hour day in most industries for some considerable time. In my life time there has been a very great change. I remember that in my boyhood days shipyard work demanded a twelve hour day, and that situation existed in many other industries as well. The length of the working day has a very important effect on the accidents in industry; as to that there is no possible doubt. There are three periods during which accidents reach their highest point. The first is Monday morning, or the morning after a holiday; that is the hour in which most accidents occur. The next is the first hour or hour and a half of the ordinary working day, or from seven o'clock to eight o'clock or half past eight, and the third accident period is the closing hour in the afternoon. If hon. members will give the matter a little thought they will realize that I have stated the facts. Some few men who go off on a week-end holiday, or for a holiday longer than that, perhaps do not spend their time in the best possible manner, with the result that Monday mornings following holidays produced their crop of accidents. Of course I speak about the steel works, machine shop work and work in the rolling mills and forges. There we had first aid equipment, a registered nurse in attendance and an ambulance service always available.

There are other phases of the matter which I believe should be given the attention of hon. members. I do not know whether or not I am in order when I attempt to take them up at this time. There are several classes of workers who could not come under the operation of eight-hour day legislation; certainly fishermen and farmers could not. The farmer's day is never done, at least in certain seasons of the year. We could not control his working hours; no legislation enacted by this parliament or any legislative body could do that.

Then we come to that type of operations in which materials are transformed. Let us for a moment consider blast furnaces. A blast furnace operation is continuous from the time the furnace is blown in until it is blown out. That period of time may be one year, it may be five years, nine years or even longer than that. The fact is that so long as the furnace is in blast the operation is continuous; it operates on Sunday, Monday and every other day and no regard is had for the end of the week, holidays or any regulations which may be made.

Mr. MITCHELL: The eight hour day is used in blast furnace operations, both in the United States and in Canada.

Mr. CANTLEY: No. To a large extent the same observations would apply to open hearth furnaces, because those furnaces take the hot metal from the blast furnaces. These are factors which have to be considered, and I assume before we have completed consideration of the bill they will have been given due consideration.

Reverting to the case of blast furnaces, the large blowing engines furnishing the blast to the furnaces are entirely automatic and are housed in buildings well lighted, with tiled floors and kept scrupulously clean, bright and comfortable. The engines are practically completely self-controlled. While the usual working pressure of the blast furnace is about 10 pounds per square inch in the event of a hang-up in the furnace stack, the resistance may become so great as to run the pressure up to 30, 40 or even 50 pounds per square inch. On the other hand, when the furnace is being tapped and the molten metal drawn off, the wind is practically shut off and these big engines then idle along, revolving very slowly. The engineers who attend them are white-collared men with practically nothing to do except

when trouble develops. They customarily and, in fact, invariably work twelve hour shifts and have been vehemently opposed to an eight hour shift in so far as they are concerned.

Mr. NEILL: It sounds nice.

Mr. CANTLEY: Those are the factors which have to be considered. I have no doubt that before we have completed consideration of the bill we may make some alterations to provide for circumstances such as I have indicated, and others which I have in mind but shall not refer to at the present time.

Mr. PARENT: A few moments ago the minister said that the passage of this legislation would work to the great advantage of the majority of workers. So far as that is concerned I agree with him, but I am wondering if he has considered the conditions which obtain in some localities. I believe this legislation will help large numbers of workers in urban centres where great numbers are out of employment during some seasons of the year, and where there are more workers available than are now required or have for some time been required by the industries. However conditions are different in other parts of the country.

I live in a part of Canada where there are a limited number of small industries connected with lumbering. I refer to sawmills, wood processing mills, and planing mills. This work is seasonable, there being work for only a certain number of months in the year. Sawmills can be operated only a certain number of months because the lumber has to be sawn early in the season and piled for purposes of drying. In the last two weeks, following the presentation of the bill I have been approached by workmen connected with these lumbering operations, and they have told me that the adoption of an eight hour day regulation during the summer season would not be in their interests. They suggest the minister should consider the matter of leaving optional with the workers any arrangements which may be made between employers and employees towards a ten hour day, or sixty hour week. They suggest further however that it should be left to them to state whether or not the eight hour day would be accepted.

There is a further consideration which I should like to bring to the attention of the minister. In the constituency from which I come a limited number have work during the busy season, and during that time they collect savings to carry them through the winter season. During the winter season their working hours are very greatly decreased. The present legislation would bind them to work only eight hours a day or forty-eight hours a week in the best season of the year, and I am wondering how they would collect their savings to carry them through the season when work is scarce. During that time they may be unemployed or be employed only fifty per cent of the time. When we reach sections 9 and 10 the minister may feel inclined to redraft the legislation so that arrangements between employers and employees may be optional, and thereby permit a sixty hour week during certain months of the year.

Mr. WHITE (London): I have been interested in the observations of the hon. member for Pictou. So far as I am concerned it is my belief that the twenty-four hour operation is about the simplest with which we have to deal. If two shifts are required to conduct a twenty-four hour operation, then three shifts of eight hours would do the work just as well. In that event however the workers would expect a higher rate per hour so that their wages might be favourably comparable with those they earned on the longer shifts. Therein lies the danger, so far as business is concerned. This change would undoubtedly increase production costs. Provided customs tariffs are maintained at a high level such an arrangement might not hurt us in our own country, but undoubtedly our export trade would be affected.

Representations have been made to me from various sources, and particularly from the smaller communities, and I believe it would be well for the minister to consider what I have said, should he choose to redraft section 10. Then, may I ask him this question: How many countries have adopted the eight hour day convention?

Mr. GORDON: The difficulties raised by the hon. member have been in my mind, and I realize further, that if this law is to prevail there must be a very considerable readjustment in industrial undertakings. In my view it will never operate successfully unless all parties interested, and the government seeking to enforce the measure, deal with the matter with the utmost frankness and unselfishness. If the employers and employees exhibit an attitude of self preservation, with some degree of selfishness, and if the government has no method of control then in attempting to pass the legislation we are wasting our time.

When legislation of this kind is introduced for the first time there are bound to be circumstances which are not covered, but I believe we are acting quite properly if we

make a beginning with the confidence that our constitutional position is sound. We do not wish to have the legislation take in too wide a circle only to be confronted with confusion, and the great difficulty of narrowing the circle to where it should have been in the beginning. I hope I shall live to see the day when legislation of this kind will be widened to include every worker in this country, but one of the things we must remember is that when we are embarking on such legislation we had better be sure of the ground we are on to-day, gradually enlarging the circle to take in other vocations and activities, rather than in the words of the street biting off more than we can chew.

Mr. NEILL: Will this act apply to saw mills, logging camps and fish plants?

Mr. GORDON: Yes.

Mr. NEILL: To fish plants? I thought the hon. member—

Mr. GORDON: Unless there is an exception.

Mr. NEILL: I thought the hon. member for Gloucester pointed out that it would be difficult to run a fish plant unless they were exempted, because the fish had to be treated as they came in. I have received representations from British Columbia to the effect that it will be very difficult to run fish plants on the basis here proposed. A plant may be idle for a week waiting for fish to come along, and then they come in in large quantities and the men work until the fish have all been treated. I have in mind pilchards from which oil and meal are made. Sometimes the fish do not come in for a day or a week, and then they are brought in in large quantities. And the same in the handling of salmon for canning purposes. As regards the particular company that got into communication with me, I drew their attention to section 2, pointing out that I did not think it would apply to fish plants. If however, the minister assures me now that this provision will apply to these plants then the situation is indeed a serious one, because the fish must be handled when they are fresh, and men who have been idle for a day or two are willing to work extra. It would be disastrous to the salmon and pilchard industries of British Columbia if any other interpretation than that should prevail. Paragraph (b) includes industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished and so forth. Well, pilchards are not altered, though they are cleaned; nor are they repaired or ornamented, but they might be said to be manufactured. If the minister's statement is given after full consideration of the subject, then I suggest that the section should stand. The government should consider the disastrous effects which the section as it is now is likely to have in British Columbia.

Mr. DUFF: Who asked for this legislation? Have the people engaged in industry asked that this eight hour day be put into effect? Has organized labour asked for it? This is an important measure which affects the lives of all the workers in Canada and of everyone else, whether producer, manufacturer or consumer. In my opinion this legislation is absolutely unworkable. As a matter of fact, employers of labour in this country have got together in the last fifteen years with the result that we have now an eight hour day wherever it is possible. In my business the men work sometimes fifteen and twenty hours and on other days they work only two or three hours, but the men are delighted to get fifteen or twenty hours of work because we pay them time and a half over eight hours. Where the employment is steady, men work only from eight o'clock until five. When I am having my breakfast I can hear the whistles blowing at eight o'clock, and if my window is open, I can hear them again blowing for the knock-off hour at five o'clock. We do not need this legislation. Who demanded it? Is this part of the reform program? If it is it is a pretty cheap method of trying to influence a certain number of votes in the country at the expense of the people. I know, from the way the minister spoke, that he is not sincere about this legislation; he knows it is not right and cannot work out. Why should one class work eight hours a day and others ten, fifteen and twenty hours if necessary? If you could pass legislation that would deal with everyone on the same basis, then I would say, put it on the statute books; but until you can do that, then I say there should be no discrimination. Take the unemployment insurance legislation: why should certain classes come under the provisions of that act while others who have to contribute will not derive any benefit from it? The same applies to this so-called legislation; it is a snare and a delusion, and the minister and his colleagues sitting in the front benches, including the minister from Pictou, know that what I am saying is correct. We are trying to get this country out of the hole and we are willing to spend our money to give the people work whenever possible, but this legislation will put back the hands of the clock. It is not necessary, because for years we have

had a forty-eight hour week and an eight hour day, and it is only in cases of necessity that men have worked overtime, and they have got paid for it. I can understand that in the old days the situation was different when people were paid by the day, irrespective of the number of hours they worked. They worked ten or twelve hours and got paid by the day or the month. But to-day men are paid by the hour and for overtime they get time and a half or even double time. I have paid my men on that basis and I am delighted to do so—and I work as hard as they do and often do not get very much out of it. I say, let us get out of the hole first. If we can pass a national law to cover everyone, I am for that law; but I do not believe in stepbairns in the family. Everyone should be treated alike. I know the minister realizes that this legislation will never be effective, and he should move that the committee rise and report progress and let this bill go to the foot of the order paper, not to be brought up until after the election.

Mr. NEILL: I hope the minister will make a statement in reply to the representations I have made in connection with fish plants. If what he has already said represents his attitude I must put on record a telegram I received on February 22, from one of the largest fish plants in British Columbia. This telegram reads:

> Just had opportunity of reading details proposed eight hour day draft convention. Although, in principle, consider eight hour day sound, feel, very strongly, that this company must be exempted therefrom because fishing, fish canning and processing are definitely seasonal and it is utterly impossible to restrict daily or weekly supplies, during season, to ensure performance under requirements of said draft convention since, owing to perishable nature of the commodity, same must be cared for and processed immediately after delivery.
>
> There is no means of telling what each day or week will bring; each plant must be in position to care for what fish is tendered as tendered; consequently, although every effort has been made in the past and will continue to be made in the future to restrict hours of labour, it is a physical impossibility for this company to assume the conditions set forth in the draft convention.
>
> The provincial government, in administering the eight hour day legislation, recognizes position of this industry and grant the necessary exemption.
>
> Furthermore, in our markets, which are largely export, competition is already sufficiently keen and subject to sufficient handicap without still further hampering by rigid eight hour day requirements.
>
> Shall, therefore, much appreciate your assurance that exemption requested be granted.

At that time the company had not seen the actual bill but only the convention. I immediately mailed them a copy of the bill and said that, so far as I could judge, the definition of industrial undertaking in section 2, while somewhat vague, would appear to leave the fishing industry out of the operation of the bill, and that seemed to me to be not only necessary but reasonable. I received a letter from the company in which the writer said that he had looked at the definition given in section 2 and that it seemed to indicate that the industry would not come within the operations of the bill. It was only intense Scotch caution that led me to ask definitely for a statement from the minister to the effect that it did not apply. The hon. member for Gloucester raised the question in connection with the sardine industry and was told, I thought, that the industry would not come under the bill. It would be disastrous if this provision were held to apply to these fish processing and canning plants. The minister, unwittingly, is not playing fair to the industry when he couches the provision in such ambiguous language, because I thought it was all right and the company in Vancouver—and they have lawyers there—were also under the impression that the industry was exempt. Now the minister says it will not be exempt, and I cannot protest too strongly. At least he should allow the section to stand until the interests in British Columbia are given an opportunity to make representations, because their belief is that they do not come under the bill.

Mr. REID: It has always been the lot of labour to have to fight the employer. I remember when as a boy I saw men working twelve and fourteen hours in the steel mills. The employers of that day said to the labourers, "If you get ten hours a day we shall have to shut down our plants." They were given a ten hour day and later when a plea was made for an eight hour day the same excuse was given—it would ruin industry and cost more. I think this measure should meet with support from every section of the house. It is a step in the right direction. Personally, I am all for this measure, but the reason I rise is just to point out to the committee that if there is a twenty-four hour day operation and a continuous operation in those mills for three hundred and sixty-five days in the year, it is the easiest thing in the world to put on three shifts. I am strongly of opinion—and I say this from a labour point of view—if labour had stressed shorter hours instead of higher wages, I believe labour to-day would be in a better position because employers have to provide food, shelter and clothing for

those labourers. The reason I rise is to support the bill, and I wish to see it go on to the statute books so that all in the dominion will come under its provisions.

Mr. MILLS: I agree with the hon. member for New Westminster that a big manufacturing company can put on different shifts, but how is this going to apply to small plants? I am thinking in my town of some foundries and mills that are just able to exist and employ five or six hands who are sometimes working ten hours a day. It is going to be a hardship for these organizations to be limited to eight hours a day. I am thinking of a big milling company in a city in my constituency. It has ceased to operate; a man has leased the small mill there and he is operating it ten hours a day. He employs five men; he has never cut those men's wages, and they are well satisfied and want to continue working as they are doing. Would their hours of work have to be reduced to eight?

In regard to restaurants we have in our city a good couple, white people, who are conducting a first class restaurant and who are employing all white labour. I was given some figures just last Saturday night in regard to this. They are paying out over $8,000 in wages a year and this money is all spent in our city; it is not sent away to any foreign country. They pay $150 a month rent for the premises they occupy; their power runs them $100 a month, and their business taxes come to about $115 a year. They have a baker's licence and also a restaurant licence. Their girls work only fifty hours a week, but their boys are working longer hours. These were boys who were working on a farm—

Mr. MITCHELL: How many hours a week are the boys working?

Mr. MILLS: Those boys have a position there at $9 a week. They get their board and room. They are working longer than eight hours a day, but it would be a hardship on those people to enforce an eight hour day because it would drive the business to restaurants run by foreigners. I would like to know how one would keep track of how many hours a Chinese is working. When it is hard for companies to exist, I think it is a poor time to introduce an eight hour day. If all factories were busy and everybody had a position, the plan proposed would be much more workable. As I see the situation, I am not in favour of this legislation at all.

Mr. MITCHELL: I have heard arguments of this kind all my life, and I think we should get down to earth. If long hours and low wages are the measure of civilization of any country, India and China would be the most prosperous in the world. Let us be frank about the matter. I have heard it said here several times this afternoon: There will be a great deal of difficulty; it will be a hardship to change from these long hours for $9 a week like those the hon. member has just been discussing. The hon. member for Antigonish-Guysborough said that he had the eight hour day among his employees. This bill is not intended to deal with the fair employer; it is intended to deal with the unfair employer who will not cooperate, who will take advantage of the good employer and work his men an extra couple of hours a day so as to get the advantage under those conditions.

Mr. DUFF: What if they get paid by the hour?

Mr. MITCHELL: Some do and some do not. Everybody in this country is not paid by the hour. Frankly, I do not think the bill goes far enough. I have before me a copy of World Current History which points out that a six hour day was introduced in Italy this year.

Mr. FAFARD: That was enforced whether they liked it or not.

Mr. MITCHELL: I know that was done under a dictatorship in Italy. This is being done under a democracy in this country. I know there are many who will be opposed to a shorter day, and anybody who has experience with certain men knows that is always the case, but a start has to be made somewhere. This bill should be more comprehensive, and I agree with the hon. member for Antigonish-Guysborough in that regard. There is an important industry, that of distribution, which was discussed in the price spreads committee; I refer to the chain stores, and it is more important for them to come within the confines of the bill than it is for anybody else. The federal government or the provincial governments, whichever win out on the legal aspect of the matter, are going to go a long way further than this legislation if they are to meet the needs of the masses not only in industry but in agriculture. Let us take the case of the United States. If they got back to the production capacity of 1929, there would still be 6,000,000 people out of work in that country. The question that is confronting the people not only of Canada but of the United States is: What are we going to do about the matter? The workmen in their practical way know that the only real advance they have ever made has been in

shortening the working day. In Italy by reducing in certain industries the working hours from eight to six they have been able to put 130,000 more people at work. In Canada, if the leadership is not going to come from this House of Commons, I do not know where it will come from. If this house is not going to say to those unfair employers, those employers who take advantage of the good ones, that certain things must be done, I do not know of any other agency that can deal with the matter. The last thing in the world for a member of this house to do is to argue in favour of anybody who would take boys off the farm and make them work twelve hours a day for $9 a week. Let us not shed tears over any such employer. Those are the conditions we have heard brought out in the price spread investigation. This legislation will apply to the Chinese or the Greeks just the same as to the native born Canadian. The intent of it is to see that everybody gets a fair deal, because everybody is equal in the eyes of the law. I do not think it becomes any member to shed tears about a man who works a boy in a restaurant twelve hours a day for $9 a week. That instance used shows all the more reason why we should have legislation of this description.

Mr. CANTLEY: When I referred a few minutes ago to the difficulties of the situation and said that some regulations would have to be made in that connection, I hope the committee did not form the opinion that I was opposed to an eight hour day, because I am not. For more than twenty years our practice was to have a sixty hour week; to-day I believe a forty-four hour week will produce more in the course of a year and under better conditions for both the workmen and the employer than would a longer week. If the committee will bear with me, I shall give one or two reasons why I hold that opinion. In a steel plant the repair gang is an important part of the organization. Under ordinary conditions twenty years ago when the mills ceased work at six o'clock Saturday night, the repair gang of thirty or forty men came on, worked all Saturday night, all day Sunday and all Sunday night to get the mills, hammers, presses and furnaces into proper condition for resuming work on Monday morning. About twenty years ago some men came into my office one Saturday and suggested that Saturday afternoon during the summer months from June to September should be a holiday. I thought the idea was a good one and agreed to it. What was the result? We were able to get our repair work all completed in the Saturday afternoon and Saturday night or by Sunday morning without any Sunday work, which the repair gang appreciated. That also meant a considerable saving so far as the cost of repairs was concerned because Sunday work was paid double time. All needed repairs were completed, whereas under former conditions there very often was not time enough between six o'clock Saturday night and Monday morning to complete the repairs. At the end of that season I decided that a half holiday on Saturday was the proper thing every month in the year, and it has been in effect ever since. To-day more goods can be produced in a forty-four hour week in almost every line of manufacture than in sixty or seventy hours twenty years ago; I think we all agree as to that. The hon. member for Antigonish-Guysborough thinks this legislation is not required. It is required in some sections of the country at least in regard to some operations. There will have to be a good deal done by way of providing for the classes of labour that I referred to a little while ago, and it will be only by trial and error and changes and modifications in the next two or three years to get it working smoothly that we shall finally get the measure in such shape that practically everyone will be in favour of it.

Mr. BURY: I am sure that most if not all hon. members are in sympathy with the suggestion which has been made by the hon. member for East Hamilton. But I understand that this bill is drafted for the purpose of implementing an undertaking given by Canada in connection with draft conventions approved by the international labour office at Geneva. I understand that the bill on that account conforms in essence with the draft convention. My hon. friend from East Hamilton says: "But why should not this parliament go beyond the minimum requirements of the draft convention and enact a measure which will include more classes and perhaps go even further in respect to the limitation of hours?" I suggest this to him and to the committee: I understand that one of the grounds on which parliament bases its jurisdiction to pass a measure of this kind is that it is an attempt to implement a treaty agreement, and if it were not, whatever ground or basis of jurisdiction we have would be to that extent weakened. For that reason I suggest that the moment we go beyond that ground we are weakening our position in respect of jurisdiction, and that only by keeping within the limits of our treaty obligations are we safe in respect of our right to pass the legislation, so far as such obligations are a ground of our jurisdiction.

Mr. GARLAND (Bow River): Will the hon. gentleman state, as clearly as he is now stating his case to the committee, in what respect the draft convention—which by the way was not a labour convention from Geneva but comes under the treaty of Versailles—limits the power of this government to include such categories as restaurant and hotel work?

Mr. BURY: My answer is that as I understand the situation, one of the grounds of our jurisdiction to pass this legislation is the fact that as a nation we have undertaken to pass legislation of this kind. That, as I understand it, gives to this parliament a jurisdiction which it might not otherwise have. My suggestion is that if that be so, the scope of our jurisdiction will be limited to the scope of our obligations derived from such undertaking. In other words if our jurisdiction depends upon or is derived from our obligation, to that extent, in order to keep within our jurisdiction so derived, we must keep within our obligation.

Mr. GARLAND (Bow River): But will the hon. gentleman show me how we are limited? What is the obligation? Will he read the part that refers to that?

Mr. BURY: Here is the preamble to the bill:

Whereas the Dominion of Canada is a signatory, as part of the British empire, to the treaty of peace made between the allied and associated powers and Germany, signed at Versailles, on the 28th day of June, 1919; and whereas the said treaty of peace was confirmed by the Treaty of Peace Act 1919; and whereas by article 23 of the said treaty the signatories thereto each agreed that they would endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and by article 427 of the said treaty it was declared that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme importance; and whereas a draft convention respecting hours of work in industrial undertakings was agreed upon at a general conference of the internation labour organization of the League of Nations, in accordance with the relevant articles of the said treaty, which said convention has been ratified by Canada; and whereas it is advisable to enact the necessary legislation to enable Canada to discharge the obligations assumed under the provisions of the said treaty and the said convention, and to provide for the limitation of hours of work in industrial undertakings, in accordance with the general provisions of the said convention, and to assist in the maintenance on equitable terms of interprovincial and international trade.

Mr. DUFF: Will my hon. friend tell me in a few words what that means?

Mr. BURY: What I am getting at is that the whole basis of the present legislation is the treaty obligation into which this country entered, and that in so far as that furnishes the ground of our jurisdiction as a federal parliament to intervene in legislation affecting wages, which in general would come under provincial authority, we must confine our legislation within the general scope of our treaty obligation. We could not go beyond the scope of our treaty obligation without exposing ourselves and exposing this legislation in so far as it goes beyond that scope to the peril of impeachment of our right to pass the legislation at all.

Mr. MacINNIS: The last speaker said that the basis of this legislation is our obligation under the treaty of Versailles. What are our obligations under that treaty, according to the preamble of the bill? They are to "endeavour to secure and maintain fair and humane conditions of labour for men, women and children." How are we limited in putting that into effect either by the convention of an international labour body or by any other convention or statute? We cannot be limited except by the extent to which we wish to go. That is the only limit, if this parliament has jurisdiction at all. So that there is no ground whatsoever for the argument the hon. member has just made. We are not limited as to the scope of this legislation; we can just as easily extend it. We can bring in or leave out. What we are particularly concerned with is not what has been brought into the bill but what has been left out of it.

The hon. member for Antigonish-Guysborough made a most extraordinary statement; he said the bill was not necessary because we now have the eight hour day, and if the eight hour day bill was put into effect it would be ruinous. I cannot follow that logic myself. As has already been pointed out by the hon. member for New Westminster, when legislation of this kind is proposed the argument is always brought forward that if it be put into effect the industries affected will have to close up and quit business. But that has been proved untrue. I ask hon. members how they are going to put back to work some 300,000 heads of families that are now unemployed in this country, and the 20,000 or more who are in camps, if they do not reduce hours of labour? As a matter of fact the people who are working now are supporting those who are not working, and it is only a reasonable suggestion that we should divide the work and let each

one support himself. It is just as well that we should have those who are so ready to protect vested interests come forward now and do their bit, because within a very few weeks or months we shall want to know where they stand anyway.

Mr. McPHEE: Owing to the total collapse of the Postmaster General will the hon. member for East Edmonton kindly explain what the hon. member for Vancouver South has been saying to the committee?

Mr. SAUVE: I invite the hon. member to speak for himself.

Mr. POULIOT: I understood the hon member for East Edmonton to say that there is a treaty obligation and therefore we must do this and that. This afternoon at three o'clock the acting Prime Minister read a lengthy answer to a question put some days ago, and in that answer it is shown very clearly and beyond doubt that there is not the slightest obligation upon Canada to stand by that convention. It is merely a suggestion or an earnest wish on the part of the League of Nations; there is no treaty obligation whatever. It is just an occasion for the government to say "we are bound by that," but whether the government says that in a soft voice or in a very loud voice makes no difference; there is no obligation at all upon Canada to stand by that convention. I need not discuss whether this is good or bad, but I look at it from the coercive point of view. Could the league send an army to force Canada to stand by that convention? It could not. The hon. member for East Edmonton knows very well that the league will never send an army to Canada to enforce that convention, so Canada is not bound by it. That appears very clear from the answer given by the acting Prime Minister. Therefore my contention with regard to this bill —I am not discussing whether or not it is good or bad in principle—is that it makes no difference whether or not such conventions have been suggested by the league; this country, as a member of the league, is not bound by them. As my hon. friend from Hochelaga (Mr. St-Père) said, the best proof of that is that the question will be discussed anew next June. Therefore there is nothing binding Canada in that regard. This is of the utmost importance, because if this country is not bound by that convention—

Mr. DUFF: Have you had your convention in your constituency yet?

[Mr. MacInnis.]

Mr. POULIOT: No, it is a nomination without a convention. I wonder why this is called a convention. It is more like a formula, a method of procedure, which you may take or leave alone. My hon. friend from Hochelaga says it is an earnest wish, but it is not even a wish; it is just a suggestion. Some members of the government say we are bound by it; such an eminent lawyer as the hon. member for East Edmonton says it is a treaty obligation, but there is no obligation to it. Either it is good or it is bad. If it is bad we should not bother with it, but if it is good it should be enforced. If it is to be enforced that should be done in the proper way. The only means at our disposal to find out if it can be enforced is to ask the opinion of the supreme court, just as we should do in connection with the unemployment insurance bill. Should we speak at any length when we know in advance that this legislation never will be put into operation? Sir, it is just election bait, and I wonder if many electors in this country from the Atlantic to the Pacific will be credulous enough to swallow it. That is all there is to it.

May I suggest that the Minister of Labour and the other members of the government, in the absence of the Prime Minister and the acting Prime Minister, make a decision by themselves in order to show that they are men of good judgment. They are numerous enough to constitute a majority of council, so let them decide that the only way to deal with this matter is to submit the bill to the Supreme Court of Canada now and come to the House of Commons later. If the supreme court says this bill is intra vires I will support it without making any further speeches. If on the other hand the supreme court decide that it is ultra vires of this parliament, then I will respectfully suggest to my hon. friends on the treasury benches that the legislation be dropped. If they take the stand that has been taken by the Prime Minister and the acting Prime Minister we must tell them that they are wasting the time of the house now for Tory propaganda. There are many serious things to consider, such as unemployment relief, and I submit that if they are earnest in their desire for legislation such as this they should have a decision on the matter by the highest tribunal in this country. If they do not do so every member will have the right to say, both inside and outside this house, at any time, that the government are not serious, that they are only trying to fool the people by offering bait of this kind for propaganda purposes.

Mr. COWAN: Just before this section carries I should like to direct the attention of the minister to one other point in regard to the interpretation clause. If the minister will look at the definition of industrial undertaking he will find that it includes the transport of passengers or goods by road or rail. In reading bill 22, which has to do with the weekly day of rest in industrial undertakings, I find exactly the same words except that in the bill under discussion the words "inland waterway" have been left out. In all other respects the interpretation clause is the same. The inclusion of those words in the bill would mean that the sailors on the great lakes would come under its provisions. If the words were left out in error I submit that the matter should be considered, and in any case I believe these sailors should be included.

Mr. NEILL: Is the minister not going to give us his opinion on the question we raised, in connection with the canneries? It is a most important matter.

Mr. GORDON: Perhaps the hon. member was not in the house at the time, but before he spoke on the matter the question was raised by the hon. member for Vancouver Centre. I think a cannery falls within the operation of this statute under the interpretation of industrial undertakings. I pointed out, however, that under sections 9 and 10 exceptions could be made and would be made where it was disclosed that an industry was in the position that the hon. member for Gloucester and the hon. member for Vancouver Centre indicated the cannery industry to be in. I thought I made myself clear and I did not think it necessary to repeat my earlier explanation. I may be charged with discourtesy, but I did not intend it in that way.

Mr. NEILL: In my opinion that is not a very strong explanation. It has been said that there are six hundred thousand words in the vocabulary of the English language. Can we not get enough of them to have the bill state exactly what is intended? In connection with another act on Friday we had to trust the whole future of an industry to the question of whether or not it came under the measure. Finally we got it down to this point, that they would be eligible to come under the measure if they could prove themselves to be an anomaly. Let us get away from this indirect system; let us say that this does or does not apply to certain cases. Let us not leave it in the air, and tell an industry that if it can be proved to be an anomaly it may perhaps come under the act. Let us get down in black and white whether or not this measure does apply to a particular industry, especially when it concerns matters of such vital importance as those indicated in the wire I read a few moments ago. I have not left the house since three o'clock, so it was not through any negligence on my part that I did not hear the explanation the minister said he gave to the hon. member for Vancouver Centre. The minister now states that a remedy would be found under sections 9 and 10 of the bill. He has stated that canneries would come under section 2, and would be eligible for the operation of eight hour regulations, but he states further that there is provision in sections 9 and 10 for taking the canneries out from under such legislation. If it is abundantly evident, as I think it must be, that canneries cannot be operated under eight hour legislation, why trust to the indirect method of wriggling them out under some regulation yet to be born, under virtue of sections 9 and 10? Why not state clearly under section 2 that the fishing industry shall not be affected by the eight hour legislation?

We turn to section 9 and we are told that somehow they will be able to wriggle out under the provisions to be made thereunder. Section 9 states:

> The governor in council may, in exceptional cases—

There is nothing exceptional about the fishing industry. The condition whereby there is an inability to accept eight-hour shifts is one which exists all the time. However this section states:

> The governor in council may, in exceptional cases where it is recognized that the daily limit of hours of work cannot be applied and agreements between workers' and employers' organizations to increase the daily limit have been made, give effect to such agreements and permit in such cases the said daily limit of hours to be exceeded: Provided, however that the average number of hours per week over the number of weeks covered by any such agreement shall not exceed forty-eight.

The ordinary fish or pilchard plant is not of the type which could readily be brought under the provisions of section 9. There are no organized bodies of cannery employees; they are entirely transient. Certainly they could not make agreements with the employers to which the government could give sanction. The wording of the section could not apply to these workers.

Now we come to section 10, and we find that it states:

> The governor in council may also make regulations permitting—
>
> (a) permanent exceptions to the limits of hours of work fixed by this act in case of preparatory or complementary work which must

necessarily be carried on outside the limits laid down for the general working of an establishment, . . .

We find the expression "outside the limits," and, mark you, the conditions of making permanent exceptions to the limits of hours of work must be cases of "preparatory or complementary work" which must be carried on outside the limits laid down for the general working of an establishment. In other words, there must be something extraordinary, or something which would occur only very intermittently, such as cleaning out boilers of a plant. Operations of this type would have to be done perhaps only once a month, or once a fortnight. But these operations must be carried on "outside the limits laid down." The ordinary limits laid down in the instance I have in mind, or the ordinary work involved, is that of men going out and bringing in perhaps eight tons of fish to-day and eight hundred tons to-morrow. That catch has to be handled before it goes bad. Those are the ordinary conditions which obtain, and I suggest one could not construe the words "preparatory or complementary work" as applying to the ordinary conditions of canning fish. Therefore I believe that argument knocks out the first part of paragraph (a). Then we find the further expression:

Or for certain clases of workers whose work is essentially intermittent.

That might apply to certain people whose work may be that of putting labels on tins only at certain intervals, but I say a person could not go through a cannery and say, "This class shall work under the eight hour day regulations, and these other chaps shall not." One cannot say, "This class must come under the operation of section 2 of the act, and this chap, over here, can get an exemption because his work is intermittent." A cannery must be operated as a complete unit. The general conditions connected with running a fish plant are such that it cannot be operated under eight hour day regulations, and I defy any hon. member in this chamber to say that he would attempt to do so. If I am correct, why have such provisions in the act? Why pile up trouble? Why pile Pelion on Ossa? Why say, "We are going to place you under the operations of the act, but if you can climb out from under by the strained and drastic interpretation of sections 9 and 10 perhaps you will get the relief to which you are undoubtedly entitled?" Either they are, or they are not, entitled to relief. If it is so that certain classes cannot work under the eight hour day regulations, why not say so frankly?

[Mr. Neill.]

I fully agree with the observations which have been made by hon. members sitting to my left in which they have described the advantages derived from working only eight hours. I know of an instance where a big plant was told that it would be placed under the provisions of legislation passed by a provincial government, that eight hour day legislation was going to be put into effect, and the result was that in that one plant alone nineteen more men were given work. What was the attitude of the employers? They said, "We do not mind, because we get more work in shorter hours." They found they could get better work and that there would be less accidents, as the hon. member for Pictou said, when the men were working only eight hours. How can we help the operation of the act if we compel people to come under its provisions who, nature and common sense tell us, cannot possibly operate under them? Why not leave this section over so that the minister may consider it? Let him get the advice of his friends from British Columbia. A great canning and reducing industry has been developed in that province and surely it is entitled to be heard. Their present belief is that the wording of section 2 does not bring them within the operation of the measure. If it does,—well, at least tell them so and give them twenty-four hours to make their representations.

Mr. HANBURY: May I point out that the legislation in British Columbia provides, in chapter 30, section 11, paragraph 2 (a):

(a) The permanent exceptions that may be allowed in preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of an industrial undertaking, or for certain classes of workers whose work is essentially seasonal or intermittent.

And so on. I would indicate to the minister that in this legislation the word "seasonal" appears.

Mr. GORDON: It will be recalled that earlier in the afternoon I informed the committee that I had had sections 9 and 10 under consideration, with a view to having proposed an amendment enabling the governor in council to make regulations which would take care of the various industrial activities to which reference has been made.

Mr. POULIOT: But this is too much work for the government, and we want to make those regulations ourselves. We want them to be made in the House of Commons so that we may know what they are.

Mr. VENIOT: Mr. Chairman, some time ago I accepted the explanation given by the Minister of Trade and Commerce to the effect that fishermen could claim exemption under sections 9 and 10. Looking through the sections however I find that no applications for exemptions can be made except in certain ways, namely by organizations of employers or by organizations of employees. If that is the only way in which subsection 2 of section 10 can be dealt with, then I say it cannot apply because in many sections of the country there are no such things as organizations of employees and organizations of employers. Something else must be inserted in the clause to give the government the right to act upon the application of parties in the business who do not belong to organizations. I trust the ministry will take that point into consideration, because it is an important one.

If the act is made applicable to the fishing industry let me say to the minister and to hon. members of the committee that despite the views held by the hon. member for East Hamilton, and despite the fact that I may be upbraided by him for my observations, the fishing industry will be ruined. The government of Canada passes certain regulations governing the fishing industry. For instance, they fix the season for lobster canning, for salmon canning, and so on. Those industries are seasonal, and I am wondering if during the canning seasons the government is going to restrict the working hours, because if they are they are going to put the industry out of business. That observation applies not only to canning but to other branches of the fishing industry. For instance, the operations connected with dried salt cod are seasonal. The vessels which go to the cod banks may stay away all week, and upon returning home on Saturday the fishermen have to work at nights, and sometimes on Sundays, to unload their vessels. They have to do that, irrespective of hours, to save their catch and place it where it can be prepared for the market. If this legislation becomes effective they could not do so; they would be confined to certain hours of labour and the progress of the industry would be seriously hampered and perhaps destroyed. I would ask the minister if at all possible to give us something definite so far as the fishing industry is concerned. I am entirely in agreement with the principle of the measure. I am for an eight hour day law, but not for an act which will give eight hours a day to a certain class of industry and destroy another industry perhaps more important than the one protected.

Mr. DICKIE: Coming from British Columbia, I must associate myself to a certain degree with the hon. member for Comox-Alberni in pointing out that it would be disastrous to the canning industry of British Columbia were an eight hour day to be enforced. There is no one in the house more in favour of an eight hour day than I am. I believe the day is coming when we shall have a five hour day; if we are to put the unemployed to work in Canada—and the same is true of the United States—we must reduce the hours of labour. I can quite understand however that at the present time we must move slowly, because we do not wish to hamper those who are engaged in manufacturing for export to other countries. It would be suicidal if we were to make any very drastic reduction in the hours of labour below eight hours. In British Columbia eight hours have been considered a day's work, but the British Columbia government wisely exempted the canning industry, the fisheries and ship yards from the eight hour law. With the ship yards there are many arguments in favour of exemption, but I see under section 10, where work is considered intermittent, they may be allowed to work longer hours. As regards the canning industry, the canning of salmon, I think we should be able to tell the cannery men definitely that they will not come under the eight hour law. They get a lot of fish one day and work from ten to fifteen hours and then they loaf two or three days before getting another consignment. They are a long way from the labour market, operating on the northern coast of British Columbia, and it would necessitate two crews, which they could not afford. I am satisfied from the minister's promise that he will frame an amendment which will take care of this phase of the question. I leave it at that.

Mr. NEILL: The minister says that he will put in regulations, or rather he will put in power under which it may be possible to make regulations with respect to the exemption of the fishing industry. But as the hon. member for Nanaimo has pointed out, that is not what we require. What those engaged in the fishing industry are asking for is a definite announcement. A great many people in British Columbia, like the salmon people, have to be financed by the banks, and I doubt whether the bank would finance this industry if they had to trust to its exemption from this legislation under some regulation still to be conceived in the mind of someone not yet appointed. What these people want is an assurance which they can give to the banks, because the bank will not advance money to the industry on any other terms. It is

necessary to make certain preparations, to charter boats, hire fishermen and so on, because you do not start fishing on a sudden impulse, as you play golf some afternoon; it takes months of preparation and the expenditure of thousands of dollars for nets, tins and so on. It is not an idle suggestion that the industry would be much happier in going to the bank if they could assure the bank that there was an exemption definitely provided for in the bill rather than the promise that some regulation not yet framed might be drafted.

Mr. POULIOT: Subsection (d) reads:

Transport of passengers or goods by road or rail, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

Let me submit the railway employees' case. They are often on duty when on a return trip. Sometimes they are twelve, fourteen and twenty hours at a time and it counts for the number of hours they are supposed to be working during the month. The minister knows how the time of railway men is calculated. How will he manage to apply this legislation to railway employees when they are on duty on a return trip? May I ask him to answer that question?

Mr. GORDON: The position of railway men raises of course a difficult question. I have given it a good deal of consideration and I believe that an amendment which I shall have to suggest in connection with the regulations under section 10 will take care of the difficulty, which is an obvious one.

Mr. POULIOT: I thank the hon. gentleman, but up to now we have heard several complaints from different corners of the house in regard to this legislation, and if there are so many exemptions that it does not apply to anyone, what is the use of passing it? May I tell the government once more that it is most dangerous to bring in new legislation of this kind when it is half-baked. I do not blame the Minister of Labour, and he knows that. But very often such legislation is brought down in such a condition that it is impossible to know what is behind it, and there are clauses which contradict one another. And even this legislation contradicts regulations with regard to fishing. It renders the understanding of the law more difficult than ever. Everyone is supposed to be familiar with the law, because ignorance of the law is no legal excuse. It is very hard to understand all these provisions. I suggest to the minister that he take time to study this legislation by himself. He is a lawyer of considerable experience and he knows much more than the third rate clerks who drafted the legislation. I insist on that. Here is a man who was responsible for the worst piece of legislation, the War Time Elections Act of 1917—something awful—and he was brought into service again for the gerrymander legislation. He is putting his nose and his fingers into this legislation again, spoiling the statute book of this country, wherever we find his fingerprints. I do not want the government to look after that man, who has very badly drafted legislation to his credit, if I may say so, and to call him again to draft this legislation on so-called social order. I would ask the government to let the legislation mature for a time so that it may improve like wine. Wine improves while it matures, and I am very optimistic when I make that suggestion. As it is, it is an awful mess and that is why I oppose it strongly. I am in favour of the principle of it, but I am strongly against the letter, which is so bad. May I suggest to the minister that he kindly take time to study this legislation himself, to see how contradictory it is, and after he discovers this, to clear his conscience by submitting it to the Supreme Court of Canada, who will undoubtedly decide that it is ultra vires of this parliament.

Mr. GARLAND (Bow River): The question has been asked by an hon. member as to why, since the wording of the convention itself has been followed almost entirely throughout the subsections of section 2, the words "sea and inland waterways" were left out, thereby excluding from the operation of this legislation the workers engaged in these two particular industries. It is particularly significant that they should be excluded, when we remember that there are few nations that carry on so large a business on and derive so large a living from inland waterways as Canada. Can the minister explain why these words are left out?

Mr. GORDON: I cannot.

Mr. POULIOT: Here we have a minister, one of the ablest lawyers in this country, who makes that answer. We have not his experience and we want some enlightenment on this bill, which is so badly drafted that even a lawyer of the great experience of the minister is unable to give a satisfactory explanation to the back benchers in this house. We want a satisfactory explanation about it. We have to decide what will be done in accordance with the legislation. If the hon. gentleman who is piloting the bill through the committee does not know the intent of it, how can we vote for it? The

situation is most peculiar; no one understands anything about the matter. This reminds me of the time when I was in college and our professor said to us: "When you do not understand something I am teaching you of philosophy and if I feel that I do not understand it myself, it is metaphysics." Well, this legislation must be metaphysics to the Minister of Labour. No one in the committee understands anything about the provision; how then can we vote for it? There are several hon. members opposite who all look well informed; they may be well informed about everything but this. They do not understand this provision; they do not know where it leads. Even the minister who is supposed to throw light on the matter says: "Well, stay in the darkness." Let them call O'Connor at once; let them page him and ask him what is behind this provision. I want information; I am not going to vote for this provision unless I understand its meaning and if we do not know, what will the judges decide when they have to interpret the intent of the law maker when the law maker himself has no intent at all except "win the election"—and we give credit to the government for that noble thought. We are the highest court in this country; we have to pass legislation which will apply to hundreds of thousands of people and is of great moment. We ask for light, but there is none; the sun is hiding himself behind the mountain; it is after dusk and the sun has disappeared.

The Minister of Labour has a great sense of humour, and he understands how ridiculous it is for us to have to argue on legislation which cannot be explained by anyone. Can you tell me, Mr. Chairman, what is behind this provision? You do not know any more than I do. Then let us call for Mr. O'Connor at once. Otherwise, what will the judges say? I see the dignified judges sitting on the bench and saying; "What about this? We do not understand." What will happen? If this legislation stands and is voted upon in this way, the House of Commons will be laughed at, not only by the judges but by every citizen who will see the performance before the court when the latter will have to interpret this provision. The situation is most absurd; it is so absurd that it is incredible. It would take Courteline to describe such a situation. It is incredible that in this house no one knows what a provision of a bill submitted to the house means. In that case let us drop it; let us turn the page and look for something else. Until a satisfactory explanation is given, I do not see how we can proceed any further with this abominable legislation. How will it settle the social evils from which this country at present suffers? No one knows. It is impossible to know. If the Minister of Labour were not such an able lawyer—and I am glad to pay him that tribute—I would say: Well, it has been put into his hands and he does not know. But he is one of the foremost lawyers of this country and he does not know. How then can an ordinary mortal explain the whole matter? All the members of the committee are laughing at the situation. It is ridiculous and I strongly protest against it. I regret the government has hired the services of that man who has put into their hands such awful legislation. I wonder how it will work for election propaganda afterwards. Just a little pin on the balloon and, pouf! nothing is left; it falls to the ground. The minister himself will see that he cannot insist upon the passing of this legislation. I have respect for his experience at the bar, but I see hon. members opposite looking very sad now because the minister cannot explain the legislation. It cannot be explained and they all look so sad. I do not want them to cry, but I do not want them to insist any more upon our passing such ridiculous and incredible legislation.

Mr. GARLAND (Bow River): To revert to paragraph (d) of clause 2: the minister was kind enough a moment ago to tell me that he did not know, nor could he explain, why the words of the convention itself "sea or inland waterways" were let out of that clause. Would he accept the inclusion of the words now since they are part of the original convention?

Mr. GORDON: The exclusion of the words "sea or inland waterways" which appear in the convention may have been brought about for a good reason. So far as I am concerned I overlooked the fact that they were dropped in the clause of the bill, and that fact was not drawn pointedly to my attention. Rather than have them included now without having an opportunity to inform myself whether there is some sound reason for having them deleted from the bill when they appear in the convention, I would prefer to have the clause stand.

Mr. GARLAND (Bow River): I think that would be just as well, and whilst the clause stands, I hope the minister will take into consideration again the possibility of including restaurant and hotel workers and employees in chain stores under the inclusive clauses (a), (b) or (c). Personally, I believe they can all be brought in under (b) under

the provisions of the convention. I think the convention itself provides a very easy method by which the government could include the industries to which I have referred. He will find that the very last sentence in article I of the convention reads:

> The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

Therefore this government, having assumed it is the competent authority to legislate in keeping with the convention, should have no difficulty under its provisions in including such industries as have been mentioned this afternoon. I hope they will be taken into consideration.

Mr. POULIOT: It will stand before the committee until it falls before the court.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Morand in the chair.

Section 2 agreed to.

On section 3—Eight hours in the day, forty-eight in the week.

Mr. WHITE (London): Because one points out defects in the bill he is not necessarily opposed to it. I am in favour of it, and for two reasons in particular. I think that in the modern intensively operated factory men can exhaust themselves in eight hours of work. Another reason is that it is generally accepted by working people that this bill if adopted will mean that more people will have work. But I am not sure that the bill has been safeguarded properly. I am afraid its purpose may be defeated by the workmen themselves. It contains no provision limiting the hours a man may work. We had instances during war time when factories were working twenty-four hours a day in three eight hour shifts, of men working eight hours in one factory and hurrying to another and working there eight hours more. And they did it for some length of time. At this time such outstanding instances as that may not occur, but consider for example carpenters or painters. A carpenter may work eight hours and then take on contract work or odd jobs after the day's work is done. The same thing may be done by painters. I think the bill should have a clause in it providing that men cannot work beyond eight hours for hire, gain or pay. Of course it would be impossible and undesirable not to permit men to work on their own property, but it seems to me that if the full benefit of the bill is to be obtained that feature will have to be dealt with. I should like an expression of opinion from the minister concerning that.

Mr. GORDON: The hon. member raises a very important question. At the moment I would not care to express an opinion on it. If the hon. member would like the section to stand I will give it thought to see what can be done.

Section 3 stands.

Mr. GARLAND (Bow River): Section 2 also stood.

Some hon. MEMBERS: No, it was carried.

Mr. GARLAND (Bow River): The minister stated before recess that section 2 would stand.

Mr. MANION: It was carried after eight o'clock.

Mr. GARLAND (Bow River): It was to stand for consideration and explanation. The Minister of Railways was here and heard the Minister of Labour state in answer to questions from this side that it should stand.

Mr. MANION: No, I was not here then.

Mr. GARLAND (Bow River): Well, it was to stand in order that we might have some explanation, notably in regard to the exclusion of certain industries, and also in connection with the leaving out of the words "inland waterways."

Mr. GORDON: During the dinner hour I looked into the question of the deletion of the words "by sea and inland waterways" from the bill. They appeared in the original convention. I have before me and am reading from the article, where it is stated that:

> The provisions relative to transport by sea and on inland waterways shall be determined by a special conference dealing with employment at sea and on inland waterways.
>
> The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

With respect to transport by sea and inland waterways, two conferences were held, one in 1920 and one in 1929. At these conferences all the member states were represented and it was found utterly impossible to come to an agreement as to limiting hours of labour in transport by sea or inland waterways. This undoubtedly is the reason why it was omitted from the bill. The convention itself was adopted subject to transport by sea and inland waterways being left open to see if the

member states could come to a unanimous decision, which as yet they have not been able to do.

Mr. GARLAND (Bow River): Surely the minister does not suggest that we in Canada must delay action in the application of the eight hour day to any particular industry until we get unanimous consent from other nations. That would be a ridiculous position to take. We have to take our own steps and be responsible for them. These words were in the convention and were agreed to and accepted by Canada, and this legislation is supposed to be based on a convention which was solemnly signed and accepted.

Mr. GORDON: Subject to what I have just said.

Mr. GARLAND (Bow River): May I ask if the minister has given further consideration to the question of the inclusion of restaurant and hotel workers?

Mr. GORDON: Yes I have, and my view is that by going to the length suggested, and enlarging the convention upon which this bill is based, we would probably strengthen materially the position of those who might seek to have the bill declared ultra vires of this parliament. When we are embarking on legislation of this kind I think we should not adopt a course calculated to destroy the measure itself.

Section agreed to.

Sections 4 to 8 inclusive agreed to.

On section 9—Exceptional cases.

Mr. GORDON: With respect to sections 9 and 10, I listened to what was said by hon. members with regard to certain industries, and their criticism of section 10 particularly. I would like these two sections to stand until I give them further consideration, to ensure that there shall be authority to except industries which by their nature could not operate—as both employers and employees want them to operate, because it is so easy at times to impede an industry—particularly industries such as those to which reference was made before the dinner hour.

Sections 9 and 10 stand.

Sections 11 to 13 inclusive agreed to.

Mr. GORDON: It is my view that there should be a further section added to the bill. I have not the amendment written out, but it will be a short one, having to do with the date on which the bill shall become operative. As the bill now reads it will become operative upon receiving the royal assent. In order that industries affected by the measure shall be able to make adjustments, which undoubtedy they will have to make, I think it would be unwise not to give them some period of time before the penal section might apply. I had not given a great deal of thought to the question how long the period should be. Someone suggested six months; I think that is too long. Probably three months would be ample. If any hon. member has any view to express with respect to that point I should like to hear it.

Mr. MACKENZIE KING: Six months would get us past an election.

Mr. MITCHELL: Three months.

Mr. MACKENZIE KING: I should like to ask the minister if it might not be worth his while, now that he is not going to have the penal sections of the act come into force for several months, to consider whether in the interval he might not get an opinion from the supreme court as to whether or not the act itself is intra vires. Advantage might be taken of that interval of time to remove all possibility of doubt as to the competence of this parliament to enact the legislation.

Mr. GORDON: I do not think I would care to sponsor the submission of that question even to the Supreme Court of Canada. I entertain the view that in projecting legislation this parliament should not first seek the authority of any judicial tribunal as to whether such legislation is intra vires or ultra vires of the dominion parliament. I may be wrong in that, but I am afraid that if this policy were pursued we would not advance legislation very rapidly through parliament. Perhaps we are on sounder ground if we take the position that if anyone seeks to impeach this measure, then upon the issue being raised we can find out the extent to which we acted within our competence in the adoption of the underlying principle and the bill itself.

Mr. DUFF: Is the Minister of Labour aware of the fact that certain legislative assemblies are introducing eight hour bills? Has that been drawn to his attention? The other day I noticed that in the speech from the throne at the opening of the legislature of Nova Scotia the lieutenant governor stated that they intended to introduce an eight hour measure. Is it necessary for both the legislatures and this parliament to introduce eight hour legislation, or which has power to do so? Has the minister considered that point?

Mr. GORDON: I am aware that a majority of the provinces have legislation limiting the hours of work, and I think there is no insuperable barrier in the way of the provinces and the dominion, if they work in cooperation, making these measures work side by side, or where one fails the other may be applied without confusion. I know of the legislation in the various provinces.

Mr. DUFF: I was wondering, if parliament passes this act, if it would be necessary for the provinces to pass similar legislation.

Mr. GORDON: It might not be.

Mr. GARLAND (Bow River): Would the minister tell the committee exactly the process by which he expects this act to be enforced? Will there be an inspection by officers appointed by this government, officers of the Department of Labour, or will there be a special staff set up under the regulations?

Mr. GORDON: My view is that the services of some one or more of the present departments of government might well be utilized in the administration of this act. I am very hopeful that we will find a great majority of employers and employees joining to render this act a useful piece of legislation. Of course in all matters of this kind officers have to see to it that the comparatively small number of employers who might do so—I think I am justified in saying so—are not permitted to do violence to this act and that, if they do so, they suffer the consequences contemplated by the act. That is a matter that will have to be given immediate attention in order that the act may be administered with the least possible expense, having regard to efficient administration.

Mr. GARLAND (Bow River): But what I am really trying to get at is this. Suppose an infraction of the act is reported. To whom in the first place should it be reported and, after it is reported, who will take the necessary steps to prosecute and punish the employer?

Mr. GORDON: Section 13 of the act, the penal section, reads:

> Every employer who violates, or fails or omits to comply with any provision of this act or of any regulation made thereunder, shall for each offence be liable on summary conviction—

That of course means that he will be proceeded against under the summary conviction sections of the criminal code. The law may be set in motion by anyone.

Mr. GARLAND (Bow River): Anyone?

[Mr. Duff.]

Mr. GORDON: By anyone, I should think. Of course it is the duty of every citizen, although everyone does not discharge that duty to the full, if he knows there has been a breach of a law, to set the law in motion. That is the theory, though sometimes the theory does not work out. In this case a great many people will be interested; the employee, his labour organization, the inspectors of the department, whoever they may be, or some officer of one of the departments that may be available to check up, supervise and see to the enforcement of the act—all these will be interested to see that the act is carried out. At the moment it would be impossible for me to say just who would set the law in motion, but any one of those I have enumerated could do so. Of course the government must see that there are those charged with the responsibility of seeing that the law is enforced.

Mr. GARLAND (Bow River): I am sorry but the minister leaves the whole position even worse than it is under provincial legislation to-day. As the minister knows, there have been violations of all these laws in connection with factory hours, minimum wages and hours of labour in almost every province in which they have been brought into being. The evidence given before the price spreads committee shows the flagrant violations in both Ontario and Quebec in regard to minimum wage legislation, for example, and no one seems to have had the responsibility of taking action against the offending employers. There is no use in saying that it is left to the employee, because in nine cases out of ten the employee is afraid of losing his or her job and will not individually, sometimes not even collectively, take the necessary action. Therefore I strongly suggest to the minister that this act should provide for an official inspector, or you can call him a public prosecutor if you like, to whom infractions of the act should be reported, who should investigate and, upon finding the reports to be correct, should take action on behalf of the employee. I also think the expenses in connection with administration should be borne by the government.

Mr. MITCHELL: Will this act be administered directly by the Department of Labour?

Mr. GORDON: The bill itself is silent as to what department of government will administer the act, but I assume it will be administered by the Department of Labour.

Mr. MacINNIS: Will this act supersede provincial legislation already in force in regard to hours of labour, or will it operate concurrently with such legislation?

Mr. GORDON: I think it will operate concurrently.

Mr. MacINNIS: Then in that case would the provincial inspectors act under the federal measure as well as under the provincial measure?

Mr. GORDON: They could act for both without further instruction or authority.

Mr. MITCHELL: I think this act will operate as other social legislation operates; where there is an organization it will work and where there is no such organization it will not work. That has been the case in the past. Where there has been some degree of organization among the workers wages have been reasonable and the minimum wage laws have been enforced; I think that goes for all our social legislation whether provincial or federal. Where there is an organization to look after the welfare of the workers and the enforcement of legislation, it is enforced. After the legislation is on the statute book I think it rests largely upon the individuals themselves to see to it that the terms of the act are carried out. I know that in the locality from which I come we will see that it is carried out.

Progress reported.

SUPPLY

SECRETARY OF STATE

The house in committee of supply, Mr. Morand in the chair.

Salaries, $289,538; contingencies, $73,655.

Mr. MACKENZIE KING: Has the Secretary of State a slip in his pocket which would give us some information to indicate the progress being made in connection with the printing of electoral lists?

Hon. C. H. CAHAN (Secretary of State): Mr. Chairman, I suppose the answer would properly be given under the items for the printing bureau. However, may I say to the right hon. gentleman that the returns for March 11 showed that of a total of 5,807,577 names on the electoral lists, 4,747,199 were then in type, leaving a balance of 1,060,378 to be put into type. In the ordinary course of operations those names will be put in type at the rate of about 80,000 per day. If we do more night work they could be typed at the rate of 100,000 or 110,000 per day, so that there is no doubt about all lists being in type by April 1, unless some unexpected accident should intervene.

Mr. DUFF: In view of the fact that there is legislation before the house having to do with the weekly day of rest, may I ask the Secretary of State if there is any truth in the statement made in one of the newspapers of Ottawa that the workers in the printing bureau are working on Sundays in the preparation of voters lists? It is said that they work seven days each week, including Sundays. If that condition exists I am sure the minister could not have known about it, because as a member of the church to which I give my allegiance I am sure he would not for one moment permit a condition under which men in the printing bureau worked seven days a week, or more than eight hours a day.

Mr. CAHAN: The hon. gentleman, the right hon. leader of the opposition and I are members of the same church, and have a due regard for the Sabbath. My information is that in the printing bureau no such work is carried on between twelve o'clock Saturday night and twelve o'clock Sunday night, giving a full twenty-four hours' rest.

Mr. STEWART (Edmonton): Has the appointment of the commissioner of patents been made?

Mr. CAHAN: No. The commissioner of patents died recently. A bill to be known as the Patent Act was introduced in this chamber, but was subsequently transferred to the Senate. It is now before that body, and before the end of the week I hope it will again be before this chamber. Certainly until that bill has been considered by this house no appointment will be made to fill the vacancy. Meantime one of the oldest and one of the most experienced officials of the patent office is administering the affairs of the office as acting commissioner.

Item agreed to.

International office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works, $2,600.

Mr. GARLAND (Bow River): May we have an explanation of the reason for the expenditure? What is done through this vote?

Mr. CAHAN: Canada is one of the members of the international union for the protection of industrial property. That is a body for the protection of copyrights, trade marks, patents and designs, and under the convention

to which we are a party we pay a certain proportion of the expense of the international office maintained at Berne in Switzerland. If the hon. member wishes full details I could give them, but may I state briefly that this is an annual vote. The slight decrease of $250 is due to the appreciation of the dollar as compared with the value of the Swiss franc.

Mr. GARLAND (Bow River): I was familiar with the facts the Secretary of State has given, but I should like to know of what value the international office is to Canada. What do we get for the expenditure?

Mr. CAHAN: The convention has been subscribed to and ratified by about forty nations, if my recollection is correct, and from time to time the representatives of the several nations meet at Washington, Rome, or London, England, to discuss changes in the convention for the protection of industrial property. One matter, which will be under a discussion, when the Patent bill is before the house in a few days, is that as Canada is a party to the convention, inventors in Canada have the right to have Canadian patents of invention registered in each of these foreign countries, in which event they obtain the same protection and privileges as were granted upon application for and the grant of such patents in Canada. Similar provisions are in the convention in respect of trade marks. I think it was two years ago that I introduced and there was enacted the Unfair Competition Act dealing with trade marks, which is based on the same convention; and trade marks which are granted in Canada to those doing business and using those trade marks in Canada are by the terms of the convention protected in each of these other countries.

Mr. REID: Are there any major countries that do not protect patents?

Mr. CAHAN: I had in my hand during the present week and was discussing in another place the patent act. I had a list of these nations which protect patents under the convention and it may be that there are some countries, possibly Abyssinia or some of the South American states, which do not give the same protection. However, I have not in mind the names of all these countries and therefore cannot state precisely.

Item agreed to.

Public Archives, $71,000.

Mr. GARLAND (Bow River): The public archives are particularly valuable, and increasingly so. Why the reduction?

[Mr. Cahan.]

Mr. CAHAN: They are very valuable, but inasmuch as we made very considerable purchases last year we did not intend to spend so large a sum this year.

Item agreed to.

Adjustment of war claims—
Secretary of State, $6,000.

Mr. CAHAN: This is simply a contingent item.

Mr. DUFF: Will the money paid to Peter White come out of this item?

Mr. CAHAN: No.

Mr. DUFF: Under what item?

Mr. CAHAN: The matter of the suits pending for a return of moneys alleged to have been improperly received in connection with the loss of the Gypsum Queen has not been under the control or direction of the Secretary of State but under the Department of Justice, and I cannot say how the expenses of that litigation are paid. It may be that a supplementary estimate will be required in connection with it, but I have not taken it into account in the preparation of the estimates of my department.

Mr. GARLAND (Bow River): Why should there be two separate items, one for National Defence and one under the Secretary of State, in connection with the adjustment of war claims?

Mr. CAHAN: At the close of the war the Department of the Secretary of State was vested with jurisdiction in all matters relating to reparations and the sequestration of enemy property, which included certain war claims. Those claims with regard to reparations have been, I think, completely disposed of and Germany, as the house knows, has ceased making the payments which were to be made under the treaty of Versailles. I am putting in this sum simply to cover any possible contingencies that may arise in regard to past inquiries and matters of that kind.

Mr. GARLAND (Bow River): I understand that the sum will not necessarily be expended and that there are now no outstanding claims under this vote.

Mr. CAHAN: I made a return to the house, to-day I think, showing that there were two or three contingent claims aggregating less than $5,000, which are outstanding and unpaid. I understand that these are claims of sailors who were on ships that were destroyed by German torpedoes or sunk by mines. These sailors made claims—three of four of them—and since the awards have been made we have

been unable to ascertain the exact addresses of the sailors. It is all however within $5,000.

Item agreed to.

DEPARTMENT OF FISHERIES

Salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protection services, $985,328.

Mr. REID: What is the reason for the increase of $93,328?

Hon. GROTE STIRLING (Acting Minister of Fisheries): In the first place there is the provision for the restoration of the ten per cent deduction from those receiving less than $1,000, amounting to $15,983. Then, owing to increased pickled fish inspection, it has been necessary to appoint two additional inspectors in the maritimes. Experience has shown the need for increased guardian service and more travelling by inspectors in many districts throughout the country. That accounts for $31,801. During the past few years we have been operating the patrol boat service at the minimum, putting off repairs where possible, and the time has come when this cannot be continued. Increasing efforts at illegal fishing must also be met, and this will involve the use of several boats for longer periods. That accounts for $45,544. This makes us the total.

Mr. REID: Was there any airplane service last year for spotting illegal fishing, and, if so, will the department carry that on this year?

Mr. STIRLING: Yes.

Item agreed to.

Fish culture, $240,000.

Mr. REID: When is it expected that the report in connection with the propagation of sockeye and other salmon will be published? I understand an investigation into the hatcheries has been going on for the past number of years. Is the minister prepared to make any statement on the matter, or can he tell the committee when the report is likely to be published?

Mr. STIRLING: The report to which my hon. friend refers is expected this summer.

Mr. VENIOT: Perhaps it is a little out of order to discuss under this item the question to which I wish to refer, but I see no other item under which it may come. I have on the order paper a notice of motion which in substance is that the farm loan act shall apply to fishermen. I am not going to discuss the motion. I am drawing the attention of the minister to it, and I wish that he would take into consideration what it contains. May I say, without discussing the motion itself, that the fishermen under present conditions, especially those which have prevailed during the last four or five years, are unable to renew their craft when and where necessary. If the farm loan act could be so amended that by availing themselves of its provisions they could renew their obsolete craft and be able to carry on to greater advantage the industry in which they are engaged, it would be a godsend to them and would save the fishing industry. I do not wish to take up the time of the committee in discussing the pros and cons of the question. I merely wish to ask the minister to consider the matter and see what can be done under the circumstances before the end of the session.

Mr. STIRLING: My recollection is that the Natural Products Marketing Act does cover the products of the sea, the lake and the river.

Mr. VENIOT: The minister has misunderstood me. I am not referring to the marketing of the product. I am speaking of the lending of money to the fishermen on the same conditions and terms as it is lent to the farmers, so that they may replenish their craft which now in many cases are becoming obsolete.

Mr. STIRLING: I misunderstood the hon. gentleman. Certainly I shall be very glad to give consideration to the suggestion.

Item agreed to.

Oyster culture, $10,000.

Mr. REID: Does that oyster culture take place on the two coasts or just on the Atlantic?

Mr. STIRLING: The expenditure of $10,000 is required to cover the expenses of the administration of the leasing and experimental farming to develop and demonstrate oyster cultural methods. The cost of administration includes the examination of areas for which applications for leases have been received; to ensure that they are suitable for oyster culture before approval is given, as well as supervision of the development work after leasing. Investigations have proceeded so far as to enable a good lead to be given in oyster farming, which has now become well established and promises to be one of the important industries of Prince Edward Island. So far seventy-nine leases comprising nearly 344 acres

have been issued, and 110 additional applications for leases are receiving attention. Ground was offered for leasing in 1931, and in 1933 a start was made in production, ninety-two barrels having been taken and sold from the several areas.

Mr. REID: Is the reserve for oysters that was placed in the Serpentine and Nicomekl rivers three years ago still there?

Mr. STIRLING: The reserve still exists.

Mr. STEWART (Edmonton): How many oysters do we market in Canada in a year?

Mr. STIRLING: Approximately 8,000 barrels in the previous season.

Mr. MacLEAN: Perhaps the minister could give us some more details of the work that is being carried on under this appropriation. I think he stated that seventy-nine leases were granted. Is that correct?

Mr. STIRLING: Yes.

Mr. MacLEAN: Were they all in the Richmond bay area?

Mr. STIRLING: No. The seventy-nine leases are divided over ten districts.

Mr. GARLAND (Bow River): How much are oysters worth a barrel?

Mr. MacLEAN: Can the minister give us the number of barrels taken off the government ground last season?

Mr. STIRLING: There were taken and sold from the department's reserved areas 421 7/10 barrels of marketable oysters and 233 2/3 barrels of seed oysters, the latter being sold to the local lessees.

Mr. MacLEAN: Can the minister give us the price that was obtained for the oysters that were sold off the government area, and how they were sold? Were they advertised for sale by public tender, or were tenders invited only from some interested parties?

Mr. STIRLING: They were advertised for sale by public tender, and the amounts were as follows:

Quantity—	Price
64 9/10 barrels	$8 00
105 2/3 barrels	5 00
251 2/3 barrels	4 00
233 2/3 barrels	2 00
722 cardboard cartons with spat attached	0 15

Mr. MacLEAN: Could the minister give us the number of permits that were given to those who took private leases for the picking of oysters? Those oysters, I understand, were picked off the public areas, and permits were granted to the holders of leases. How many permits were granted?

Mr. STIRLING: Two permits were granted to each of the lessees.

Mr. MacLEAN: Only two?

Mr. STIRLING: Yes.

Mr. MacLEAN: That does not seem to agree with the information we have down east, namely, that not only the lessee himself but all of his family who may be interested can obtain permits. I would like to know from the minister if that is correct.

Mr. STIRLING: The information I have at my disposal at the moment is that only two permits are granted to each lessee. The matter can very easily be verified; we can look it up. I have not the information in more detail now.

Mr. MacLEAN: I may have been wrongly informed, but I understand that not only can the holder of the lease obtain two permits, but all those working for him or members of his family can also obtain permits, so that all one has to do is to have an application for a lease and then one can get permits to pick all the oysters he likes off the public ground. I think this is something that should be looked into very carefully, because I know it is causing a great deal of dissatisfaction. The public fishermen feel that public oyster areas should be developed by the department for public fishing, but the department has undertaken to lease those public areas to private individuals. Since the Richmond bay area was known for its famous oysters the public were always allowed to fish off the public beds there. Now the department has started on this policy of leasing, and the greatest difficulty we find is that areas which are producing oysters at the present time are being leased, or, if not, the oyster picked off for private holders. I know the department will deny this, but the fishermen have asked for a royal commission; they have even petitioned the governor general in council to have a commission or someone appointed to go down there and make a thorough investigation of the whole situation. This has been refused by the department. The fishermen are deprived of fishing privileges which they formerly enjoyed. I have on my desk a petition which has been presented in which they say that if the department is going to spend money to bring back the areas for private individuals it is only fair to spend some money

to bring back some areas for public fishing. The fishermen would not object much if the department would go out into the deeper bays and rivers where oysters are not coming back satisfactorily and there build up fishing areas for those who obtain private leases, but they do object to leasing the inshore waters in the small rivers and bays and heads of creeks where the oysters are coming back naturally and where they could fish with very little trouble. If the department wants to experiment there are thousands of acres out in the big bays and rivers where they can spend all the money they like in bringing back the beds for the private lessee. But the claim is made, and I think fairly, that the fishermen have an inherent right, handed down from past generations, to fish on the public areas. I know the minister will say: Well, the industry was wiped out and we had to come and reestablish it. The industry was wiped out; now it is coming back naturally at the heads of the rivers and bays, and what we object to is the leasing of those areas where the industry shows signs of natural recovery. We all know that at the present time fishermen are hard pressed, not only in our province but in other provinces where fishing is carried on. In this industry men were formerly able to go out and make a fair day's pay with very little expense. About $10 or $15 will fit out a fisherman for gathering oysters, whereas if he is going into the lobster industry, for instance, he has to spend hundreds of dollars for equipment. The fishermen feel that this privilege has been taken away from them. They have petitioned the department; they have done everything they could to get some attention, to have someone go there and make an independent survey and see if their claims are well founded.

I had to bring up this matter last year. I do not want to be blocking the work of the department, but I think in all fairness to the fishermen of that community the department should have someone go and make a thorough examination on the spot. I know the department will say that they are not leasing areas that are already productive, but the fishermen have the opposite view. They say that no one applying for a private lease will take a piece of ground unless he is pretty sure that there are some oysters on that ground. If he finds there are, then he is willing to take a lease. They also complain that the public areas that would naturally come back are being robbed by private lessees who are given permits to pick oysters off the public grounds to put on their private grounds. So in effect the fishermen are not allowed to fish at all unless they have a lease. This is a revolutionary step on the part of the department and is so entirely at variance with the conditions that formerly obtained that the fishermen are up in arms about it. I would like to put on record a great many statements that have been forwarded to me, and also this petition, but I have submitted a similar one to the minister, and all without avail. I am a voice crying in the wilderness; I get no support from the department or from other hon. members from our province or from the acting Minister of Fisheries, and fail to make any impression on the department on behalf of the large number of fishermen whom I represent in this house. But I submit that their demand is fair and just and that the new minister who is now in this responsible position should give the matter very careful consideration and see that justice is done to these fishermen who are not here to speak for themselves and who have been unable through petition or otherwise to make any impression on the department or the minister.

Mr. MYERS: You perhaps will remember, Mr. Chairman, that last session the same annual complaint was made by my hon. friend from Prince. The hon. member has a monopoly on this subject; there does not seem to be anyone else here sufficiently interested in oyster culture to make a study of the matter so as to be able to answer him. I rise on this occasion with more than usual diffidence because I have not forgotten the severe castigation I received at the hands of the hon. member for Prince last session when this same item was before the committee. On that occasion I was told that I was an inlander, that I did not know anything about fish, and above all about oysters, and I was advised to confine my activities to the growing of potatoes. I can assure the committee that my hon. friend's advice was not lost on your humble servant, and I do not intend to-night to advance any of my own ideas along this line for fear of receiving again the same admonition from my hon. friend. I do not wish to detain the committee more than a few minutes. I only want to say that in my humble opinion as an onlooker from the outside, seeing what the Department of Fisheries has done during the past few years for the oyster industry in Prince Edward Island, I cannot help but raise my voice in commendation of the acting Minister of Fisheries and especially of his able deputy minister for the efficient efforts

they have put forth on behalf of the oyster industry of Prince Edward Island. In order that I may be quite clear on this matter I have on this occasion armed myself with a report of a speech that was delivered by a man who—even the hon. member for Prince will not deny it—is one of the leading fishery experts in Prince Edward Island. We have in Charlottetown a very active board of trade. No item affecting the public good escapes their attention—agriculture, business, fisheries, tourist traffic, everything of that kind comes under their purview. They are always very active in finding out what is being done along these lines. In order to inform themselves thoroughly on this subject, to get the best information they could, they invited W. F. Tidmarsh to speak to them, which he did on January 10 last. By the way, let me state a fact well known to the hon. member for Prince. In addition to being an expert in connection with fisheries and everything pertaining to the fishing industry in Prince Edward Island, having been engaged in that industry all his life, Mr. W. F. Tidmarsh is also one of the leading Liberals in our province, a fact which must carry great weight with my hon. friend. At the present time his son is president of the Liberal Association of Queens county, and I believe the father is just as active as ever on that side of politics. I would not be too sure of that, however; he may have had a change of heart since January 10, when the Prime Minister came out with his reform program. Mr. Tidmarsh, along with many other Liberals of Prince Edward Island, may have had a change of heart since then, so it would not surprise me to find him lined up behind the Prime Minister, myself and my colleague when the next election comes along. But without wearying the committee further I should like to quote briefly what Mr. Tidmarsh said to the Charlottetown board of trade on January 10 last:

Commends Department Effort

The effort of the fishery department to restore the oyster fishery is well worthy of favourable commendation.

Those are the words of the leading Liberal of Prince Edward Island.

It has worked in a thoroughly scientific manner. It has erected and operated at Bideford river a small biological laboratory, equipped with necessary equipment, and in it has placed men of scientific and practical knowledge—

And now the hon. gentleman wants somebody to go down there from Ottawa, when right in his own bailiwick they have this biological laboratory containing the necessary equipment, with men of scientific and practical knowledge in charge. Is that not enough for him?

—who are applying themselves solely to experimentation in oyster culture, to demonstrate that oysters may be cultivated on a commercially economic basis.

Several sections of barren bottoms—

That is barren enough for anything.

—were selected in Richmond and Malpeque bays, where the famous Malpeque oyster once thrived. Each bed contains about four and a half acres. These beds were seeded with small oysters. The results have been highly satisfactory.

At the opening of the fishing season this fall it was estimated that approximately each acre had produced eight hundred bushels of marketable oysters. I am informed that the product of these beds is sold on the open market, and the proceeds credited to the beds, so that the commercial value may be ascertained.

Just notice this next paragraph:

Leasing System Beneficial

Areas of five and a half acres of barren bottom may be leased from the fishery department for a period of twenty years, at $1 per acre, per annum, for the first period, and for the second period at a rental to be agreed upon. The lessee agrees to seed the areas within a reasonable time.

This method should meet with general approval.

I believe the word "general" would include even the hon. member for Prince.

It assures a wide distribution of oyster farming throughout the province, keeps the industry in the hands of our fishermen—

I hope the hon. member for Prince will note that.

—encourages competition, stimulates enterprise, and ensures a wide distribution of the monetary returns when the areas become productive.

This industry lends itself to cooperation of the primary producer. Fishermen should be encouraged to form cooperative companies. The combined efforts of a small company of young, energetic fishermen, should in a few years create an industry, under their own control, that would give them remunerative employment for the rest of their lives.

Over-production need not be feared. Epicures through the ages have sought this succulent bivalve and will continue to do so in the future....

I see no reason to doubt that the oyster fishery will, in process of time, become the most important fishing industry in this province.

I have not touched on the technique of oyster culture. Prospective cultivators can get that information by applying to the biological station at Bideford—

Just imagine; they can get all the information with reference to oyster culture at this biological station at Bideford, in the riding of my hon. friend who is objecting to the whole development.

—or by consulting a book entitled Oyster Farming on the Atlantic Coast of Canada, published by the Department of Fisheries.

I have no further remarks to make. Hon. gentlemen will notice that for fear of a second castigation at the hands of my hon. friend I have sheltered myself behind the words of a Prince Edward Island gentleman who has forgotten more about oysters and the fishing industry than the hon. member for Prince and myself together know.

Mr. MacLEAN: In reply to my hon. friend I may say that I am perfectly willing to give him all the latitude he requires, because the more latitude he takes the deeper he gets in. My hon. friend has said that Mr. Tidmarsh satisfactorily explained this matter to the board of trade. I have known Mr. Tidmarsh for a great many years. I have known him as a lobster packer of outstanding ability; I have known him to be interested in the processing and marketing of other kinds of fish, but this is the first intimation I have had that Mr. Tidmarsh is an authority on oysters or oyster culture, and I thank my hon. friend from Queens for that illuminating fact. My hon. friend suggested that Mr. Tidmarsh might have changed his politics following the radio addresses of the Prime Minister. I am afraid my hon. friend will have to wait for some time for that. I think oysters will be growing under the potato vines in his fields before that happens.

The difficulty in this whole situation is that people like my good friend, who would like to know all about the industry but has never taken the trouble to make himself thoroughly acquainted with it, are always butting in and giving advice to the department. As I have said before, some people step in where angels fear to tread. The situation, nevertheless, is as I have stated. I do not wish to discuss this matter from a political point of view, but I want my hon. friend from Queens to understand that it was at the request of myself and others that the biological station was started at Bideford under the Liberal administration. The Liberal policy, however, was to bring back the oyster industry for the public fishermen of that community; we never intended to give a private monopoly to any other class of men, and we stand by that policy to-day. I believe that I am voicing the opinion of hon. members of this house and of the majority of the fishermen of our province when I say that the rights of our fishermen are being taken away under this leasing policy.

With regard to the biological station, the men located there are doing work that has been assigned to them, that is, studying the habits and the propagation of oysters, and oyster culture. They have made certain progress along that line, but I am not here to-night to discuss whether or not the biological station has been of service to the fishermen or the industry; I am here to discuss the right of the fishermen to fish in the public waters around their own shores. If the department wants to lease ground there are thousands of acres, as I have said and as my hon. friend from Queens knows, that can be leased if they want to experiment with building up productive beds of barren bottoms. I will tell my hon. friend, however, that you cannot get a lessee there to spend one dollar in an effort to bring back those bottoms. Hon. gentlemen opposite have always taken the ground that we were endeavouring to make political capital out of this question. On different occasions I have said that I have just as many friends on one side of this question as on the other. The barren grounds are there; if the government want to develop them we have no objection to the leasing of those grounds. If they want to try to build up productive areas there they are perfectly at liberty to do so, but when the department attempts to take the good producing areas and lease them to private individuals, that is where we step in and say something should be done on behalf of the fishermen. My hon. friend says there is no need to have anyone go down to Prince Edward Island and make an investigation because the biological station is carrying on that work now. That is not the case. They are operating under the Department of Fisheries. They may say that they operate under the biological board, but the gentleman who is there is working under the director of the Department of Fisheries, and carrying out the plans they suggest. In all fairness I say a commission should be appointed in accordance with the request of the fishermen. Let them bring in a report, and if they say that the fishermen are wrong in their contention, then I am willing to abide by their decision. If on the other hand they say that the department is leasing productive areas to private individuals, then I say that practice should be stopped, and the barren areas should be leased. Will the minister tell the committee if it is the policy of his department to continue leasing those splendid productive areas to private individuals?

Mr. STIRLING: On application being received, the policy hitherto has been to give consideration to whom the lease should be granted. It seems to me reasonable that the applicant first to be considered should be the one nearest to the area in question, next the people living behind it, and third the people

of the province generally. In that way the areas pass into the hands of those who can most easily and most economically work them. The hon. member should bear in mind that this work was begun and is being carried on in close cooperation with the government of Prince Edward Island, and the investigation under Doctor Needler, who is working for the biological board, is being and will be carried on. I should be glad to give careful consideration to the views expressed by the hon. member. It may be that as time goes on reconsideration should be given to the policy hitherto adopted.

Mr. CANTLEY: I should like to call attention to the fact that there are other oyster fishing grounds in the maritime provinces than those in Prince Edward Island. When I was a boy there was a considerable amount of oyster fishing in the three rivers running into Pictou harbour. We also had oyster fishing at Merigomish bay, Wallace, Caribou, Pugwash and Antigonish bay. However, for some reason which I am not prepared to explain, that fishing has been practically abandoned, and I should like the minister to make some investigations with regard to the waters I have named. If those waters were restocked I can see no reason why we should not again have oyster fishing as profitable as we had forty or fifty years ago. I hope the minister will be good enough to give some assurance that something will be done in this connection.

Mr. STIRLING: Perhaps the hon. member has forgotten that we cannot proceed in this matter except by agreement with the province. The bottoms are under the control of the provinces. In the case of Prince Edward Island cooperation resulted in these investigational works being carried out. As Nova Scotia has not come into agreement with the dominion, so far as oyster fisheries are concerned, the dominion cannot carry out such works there.

Mr. CANTLEY: Surely the minister could ask the government of Nova Scotia to cooperate. It would not take long to do that.

Mr. McLURE: The oyster fishermen of Queens county are in accord with what the department has done in connection with oyster farming. More each year are anxious to obtain leases on the barren areas, and from time to time they request that additional surveys of harbours and bays be made. For instance, at the present time demands are being made to have surveys made of Alexandra bay, Pownal bay, Vernon river, Orwell bay and Pinnette bay, with a view to obtaining leases. I believe last year a statement was made by an hon. member to the effect that these leases were taking away the rights of the fishermen. May I say that there is no branch of the Department of Fisheries which at the present time has such possibilities of development as has the oyster fishing branch. To-day production in Canada is very much limited; we are not able to supply the domestic demand. Oyster farming is carried on on the Atlantic and Pacific coasts, but the production last year amounted to only 24,659 barrels. This amount was made up of 8,273 barrels from New Brunswick, 10,160 from Prince Edward Island, 3,120 from British Columbia and 3,106 from Nova Scotia. That is not sufficient for the demand in Canada alone, consequently many importations were made. For the information of hon. members I shall indicate the points from which importations came. From the United States 1,094 barrels of oysters imported in the shell were valued at $6,938. From the same country 104,882 gallons of shelled oysters valued at $161,540 were imported. Again from the United States we received 106,117 pint cans valued at $11,145 and 4,701 quart cans valued at $1,896. Prepared or dried oysters were shipped in from China and Japan to the value of about $10,000. The total importations from outside sources were valued at $200,000.

I should like to see the department continue the development of oyster farming, and particularly the development of many of the barren areas in our bays and rivers. Some time ago the control of these bays and rivers was discussed before the privy council, and the decision was made giving the control of the waters to the federal government. Following that the federal government and the legislature of Prince Edward Island entered into a contract by which leases were granted to fishermen throughout the province. I would impress upon the acting Minister of Fisheries the necessity for further investigations, and would urge that further services be given so that our fishermen may engage in this most profitable branch of the fishing industry.

Mr. MacLEAN: I have in my hand a petition signed by the fishermen's committee, the following names appearing: William McKinnon, president; Charles McFadyen, Richard Murphy, Norman Thompson, and Elisworth Gillis, secretary. I shall pass the petition on to the minister, because upon handing it to the clerk of petitions he indicated that because it asked for a grant of

public money it was out of order. The committee is now witness to the fact that the petition has been presented to the minister, and I trust that some action will be taken.

Mr. MacDONALD (Cape Breton): Following up the remarks of the hon. member for Pictou may I say that I was surprised to learn that no information had come from the government of Nova Scotia because in correspondence with the premier of that province I gathered he was ready and willing to consider the matter of cultivating oyster beds on Bras D'Or lakes and East bay. Considerable fishing is now done at those points, and I believe the ground is fertile. I would ask the minister to give some attention to the matter, because I feel sure that Nova Scotia is ready and willing to cooperate.

Item agreed to.

To provide for an investigation into the life history of the Pacific halibut by an international fisheries commission appointed under the Pacific halibut treaty of the 2nd March, 1923, $25,000.

Mr. HANSON (Skeena): Would the minister explain how the money was expended last year, and how long the sum of $25,000 has been paid?

Mr. STIRLING: I have not the actual figures for last year, but perhaps it will satisfy the hon. member if I give the estimated expenditure of the same amount this year. Half the cost of the work of the commission is paid by the United States and half by Canada, and that is divided as follows: Salaries, $33,114; vessel operations, $9,286; travel and subsistence, $2,400; office supplies, $1,000; telegrams, postage, freight and expressage, laboratory supplies and equipment, $700; printing reports, $2,400; redemption of tax, $600; expenses of conferences with fishermen, $500. That makes up the $50,000.

Mr. HANSON (Skeena): The Canadian fishermen have complained that in this investigation American boats were hired and American supplies purchased, and that Canadian fishermen did not have a chance to tender or to share in the benefits so far as the money was concerned. Has this investigation been done absolutely by American officers on American boats?

Mr. STIRLING: Wherever the work can be done by Canadian boats it is so done, but there are waters off the Alaska coast where larger boats are required than those we can obtain in Canada, and then United States boats are hired.

Mr. HANSON (Skeena): Have any Canadian boats been hired?

Mr. STIRLING: I have not the actual number of boats hired but undoubtedly Canadian boats have been hired to do the work.

Mr. MacLEAN: Has any demand been received from fishermen in regard to the late season on the north shore of Prince Edward Island, asking that the season start on August 1 instead of August 15 as at present?

Mr. STIRLING: We have received such requests, as well as requests in the opposite direction, and after all the information that can be collected has been considered the department makes the decision with regard to the date.

Mr. VENIOT: Has any decision been made with regard to these requests?

Mr. STIRLING: Not yet.

Mr. VENIOT: The matter is under consideration now?

Mr. STIRLING: Yes.

Item agreed to.

Marine Biological Board of Canada, $186,000.

Mr. REID: What is the reason for the increase of $11,000?

Mr. STIRLING: The increase is made up as follows: Salmon investigations on Atlantic coast, $2,000; investigation on Nicomekl and Serpentine rivers, British Columbia, $1,000; Investigation on Okanagan lakes, $1,000; mackerel investigations on the Atlantic $200; general survey of lakes and rivers, $1,800; investigation of scallop fishery, bay of Fundy, $1,000; deep sea investigation of conditions affecting movement of haddock and cod, $2,000; extension of courses of instruction to fishermen, both coasts, $2,000. That makes up the total. My hon. friend is aware that the biological board is really a separate organization made up of representatives of the universities doing biological work, but to a large extent it is the scientific division closely connected with the department.

Mr. REID: We appreciate the vote of $1,000 for work on the Nicomekl and Serpentine rivers. These two rivers were once heavily stocked with fish, but they are close to the boundary line and we have had many visitors who have fished in these rivers. The fish have disappeared and I am glad that there is this item of $1,000 for purposes of investigation.

Mr. CASGRAIN: Can the minister give me some information in regard to the biological station which we were told would be opened on the Gaspé coast? Last year or the year before when this matter was before the house the then Minister of Fisheries, now Minister of Marine, led us to believe that a biological station would be instituted in that locality.

Mr. STIRLING: My hon. friend is referring to the proposal to build a station at Gaspé?

Mr. CASGRAIN: Yes.

Mr. STIRLING: No official decision has been reached with regard to it.

Mr. CASGRAIN: Since the minister has been in charge of the department has he received any request from the government of Quebec regarding this matter?

Mr. STIRLING: I do not recollect having received such a request from the provincial government.

Mr. CASGRAIN: Is the matter still under consideration or has the idea been altogether abandoned?

Mr. STIRLING: It has by no means been completely abandoned; it is one of the measures that are being considered and the coat is being cut everywhere according to the cloth.

Mr. CASGRAIN: What progress has been made since this matter was first taken into consideration by the minister's predecessor, and what has been the progress since the minister himself has been in charge?

Mr. STIRLING: No recommendation has reached me, so far as my memory goes, from the provincial government, and I have not gone into the matter in detail since I have been acting minister.

Mr. CASGRAIN: This question was under consideration two years ago—since 1932—and on one occasion it was openly stated by the present Minister of Marine (Mr. Duranleau) that the station would be established in that locality for the benefit of all fishermen in the district, and as well for the fishermen of the north shore. Now we are given to understand that it will be started as soon as possible. When I made inquiries on the first occasion the minister said that nothing had been done but that the matter was under consideration. That was the year before last, and again last year it was under consideration; this year we receive the same reply. I want to put the facts before the committee. Although the station has been promised by the federal government, through the Minister of Fisheries, and although the matter has been under consideration for some time now, the minister at that time having led us to believe that he was in constant communication with the provincial government, there having been recommendations from them and from his officials, nothing has been done in this matter. For the last three years we have been asking for this station and although it was promised it is not forthcoming; it is still in the offing with nothing practical in sight.

Mr. VENIOT: Have any steps been taken by the biological board in the matter of research in the bay of Chaleur for the development of scallop beds in that section of the province?

Mr. STIRLING: Information is not being sought by the biological board at the present time, but of course, as the hon. member will recall, investigational work has been done in the past by the department in that area, and the results of that investigation were then published.

Item agreed to.

To provide, subject to the approval of the governor in council, for a grant to the United Maritime Fishermen, $4,050.

Mr. NEILL: This vote is for a very worthy purpose. Last year when it was being discussed the then acting minister promised me, in answer to a question, that he would grant a similar vote to the fishermen of British Columbia if we recommended a suitable association qualifying in the same way as this one does. Two weeks ago I presented such an application to the minister. I do not think I had a reply but I trust he will consider the matter and possibly put an item in the supplementary estimates. The association I recommended was the largest one in British Columbia, one of long existence and considerable reputation. You have only to look up Hansard to see that the minister defintely said that if we put forward a claim of that kind it would be favourably considered.

Mr. REID: If the minister is considering grants to associations they should all be taken care of. One is not more important than another. Far be it from me to raise any sectional or constitutional cry, but the Pacific coast has been rather neglected as regards assistance to fishermen's associations. I do not need to point out any difference in importance as between British Columbia and the maritimes; one is as important as the

other. But if grants are to be given to one, all fishermen's organizations, provided they are functioning legitimately and in good condition, should have their applications for grants favourably considered. I have in mind the fishermen's protective association on the Fraser river at two points, one above and one below the bridge. I believe the active membership is over one thousand, and I ask the minister to give consideration to that association also.

Mr. NEILL: Would the minister give us some information on this point?

Mr. STIRLING: The hon. member will probably realize that in the maritimes there is one fishermen's association which can speak with one voice for the fishermen there. A practical difficulty occurs to me that on the Pacific coast there is a considerable number of fishermen's associations, and if an application came in from one of them, applications from all the rest should certainly be considered at the same time. This might add to the government's difficulties in making a decision. Of course the door is never closed to the consideration of applications that may come in, but I cannot go further than to say that consideration will be given.

Mr. NEILL: Possibly the minister has answered himself. The reason why there is only one association in the maritimes is the grant given; it has amalgamated them into one and it was used for that purpose. At one time there were scores of these petty associations, and the very fact that such a grant was forthcoming and that by their coming together in one united body they could obtain it, encouraged them to cooperate. As regards any difficulty as to which society or association in British Columbia should get the grant, I do not think the minister would find us petty in that connection. I would suggest giving it for this year at any rate to the largest one, and as the one I recommended happens to be not only the largest but the oldest in that province, dating back I think some twenty years and having a good record as the deputy minister knows, I do not think any of the smaller associations would take exception to that or put up a demand to be considered at the same time. Probably this would result in the formation, as has been spoken of by the minister, of one large association for the whole province; but as the hon. member for New Westminster says, we are not being treated fairly when no recognition of that kind is being extended to British Columbia.

Item agreed to.

DEPARTMENT OF INTERIOR

Government of the Yukon territory—

Salaries and expenses connected with the administration of the territory, including surveys, $42,000.

Grant to Yukon council for local purposes, the construction and maintenance of roads and such other expenditures as the commissioner is authorized to expend by and with the advice and consent of the council or any committee thereof; and the accounts with respect to such expenditure shall be subject to examination and audit by the Auditor General as provided by section 22, chapter 215, revised statutes 1927, $60,000.

Mr. ELLIOTT: Would the minister give us an indication of the roads on which this amount is to be expended?

Hon. T. G. MURPHY (Minister of the Interior): The item of $60,000 is a grant to the Yukon council for local purposes for the construction and maintenance of roads and such other expenditures as the commissioner authorizes by and with the advice and consent of the local council. They are local roads in the Yukon which are maintained by the local council.

Item agreed to.

Dominion lands, parks, etc.—

Dominion lands, seed grain, mining lands and ordnance, admiralty and public lands, salaries and expenses, etc., $90,797.96.

Advancement of forest conservation; national inventory of forest resources; investigation of forest conditions and rates of growth, and development of scientific management methods; forest protection studies, technical and economic investigations of forest industries; the operation of forest experiment stations, demonstration forests; and forest products laboratories; cooperative undertakings in forestry and forest products, etc., $250,000.

Grant to Canadian Forestry Association, $1,620.

Investigation of water and power resources and of international waterway problems, the dominion hydrometric survey and for the administration of the Dominion Water Power and Irrigation Acts, etc., $165,100.

Amount required to meet expenses of Lake of the Woods Control Board, $7,000.

To provide for the expenses connected with the national parks of Canada, historic sites, care of indigents in the parks, the appointment of stipendiary magistrates in the parks and the payment of their remuneration, $1,105,188.

Administration of the Migratory Birds Convention Act, $35,500.

Costs of litigation and legal expenses, $4,000.

Amount to provide for expenses in connection with determination of location and boundaries of ordnance and admiralty lands in the province of British Columbia, $3,000.

Amount required to cover the payment of retiring leave to officials other than those on civil government, $7,350.

Salaries of revenue staff, $8,856.

Mr. MACKENZIE (Vancouver): What is the amount of road that remains to be constructed in the national parks area to link up with the British Columbia section?

Mr. MURPHY: Does the hon. gentleman refer to the Big Bend road?

Mr. MACKENZIE (Vancouver): Yes.

Mr. MURPHY: On the eastern section of the road, that is the section lying between Donald and Canoe river, there are some sixteen miles to complete, including the bridge over the Canoe river. On that stretch a certain amount of work has been done comprising rock cut and a certain amount of grading, but the road from Donald to Canoe river, that is the eastern leg, has been completely graded and surfaced with the exception of some sixteen miles at the northern end. On the western leg the road has been partly completed to a distance of some fifty-eight and a half miles. It is not completed in the sense that it has all been graded and gravelled, but it is in a passable condition. There remain on that section approximately thirty-five miles which require new construction, in other words on which no work has been done.

Mr. MACKENZIE (Vancouver): At the present rate of progress how long will it take to complete the entire gap in the Big Bend?

Mr. MURPHY: The eastern leg, that is the leg for which the dominion government is responsible, could, if funds were made available, be completed this year; but the western leg, which is a responsibility of the province of British Columbia, would it is estimated take practically two years to complete, that is if all the available crews which could advantageously be used were employed.

Mr. STEWART (Edmonton): Are any of the construction crews, that is in the unemployment camps, being used on the British Columbia end of this particular piece of road?

Mr. MURPHY: Yes, last season under the Department of National Defence certain camps were in operation on that road. There are none at the present time, I understand. The work which they were doing consisted in putting that portion of the road constructed by the province into fairly passable shape, clearing out landslides and doing a certain amount of grading. The work on the eastern leg was carried on under the Public Works Construction Act.

Mr. MacINNIS: Could the minister give an estimate of the value of the work done by the men in the camps?

[Mr. Murphy.]

Mr. MURPHY: I have not the figures; that would have to be given by the Department of National Defence.

Mr. POULIOT: As this item includes historic sites, I take this opportunity to thank the minister for the cairn which has been erected at Cabano, in Témiscouata county, in remembrance of Vieux Chemin du Lac and Fort Ingall. And now, sir, may I make a suggestion to the minister? At St. Patrick, Sir John A. Macdonald, a former prime minister of Canada, used to spend his summers. The house is still there. May I ask the minister to see that a memorial tablet is put on that house? It is quite forgotten now, and it should be brought to the attention of passersby.

Mr. MURPHY: The hon. member for Témiscouata is a very astute gentleman, and I could not find it in my heart to refuse the appeal which he has made. I shall be very glad to take it into consideration.

Mr. POULIOT: Thank you. I can tell the hon. gentleman why I ask that. It is because it has been promised for eight years by the provincial government, but we have nothing yet; therefore I appeal to the minister.

Mr. SPEAKMAN: Under the forestry item I notice there is a slight increase in the expenditure contemplated. May I ask if the department contemplates extending the policy of forest experiment and demonstration stations, establishing new stations or extending their activities? I ask this particularly in view of discussions that have been carried on in connection with the drought problem and the possibility of helping to cope with that problem through forestation.

Mr. MURPHY: Yes, we have endeavoured in the past four years to extend our field experimental stations, and during the past year we brought a new one into being at Kananaskis in Alberta, in which station woods indigenous to that area can be studied in the field. I think the hon. gentleman has reference more to the service that the forestry department can render in cooperation with the Department of Agriculture in restoring to fertility the drought areas in the west. We have been in consultation with the Department of Agriculture and are at present working in close cooperation with them both from a forestry and from a water power standpoint.

Mr. SPEAKMAN: Has the department any experience in the attempt to grow trees in drought areas? There is a great deal of

discussion about that at the present time both here and in the United States, and naturally many of us are very much interested I am asking this because of what I have been observing in the drier areas, and because there is some doubt in my mind as to the possibility of growing trees where drought conditions have become bad. I have seen a good many shelter belts and plantations where trees which had been growing for some twenty years and had become well rooted have died out because of the drought. In view of this I was wondering whether experiments have been carried on in attempting to grow trees as part of the battle against drought, and if so what the results have been. Possibly the experience has been so limited that the department has not been able to form any definite conclusions, but it is a topic of much interest in parts of western Canada.

Mr. MURPHY: So far the forestry department have conducted no experiments along the line indicated. It may be that certain experiments have been carried on at the tree stations at Indian Head or Sutherland in Saskatchewan, but as those two stations are now administered by the Department of Agriculture I am unable to speak as to the results. The Department of the Interior has not carried on any experiments of the kind mentioned.

Mr. STEWART (Edmonton): What was the reason for taking the forestry station at Indian Head from the control of the Department of the Interior and handing it over to the Department of Agriculture, especially as the Department of the Interior has a forestry branch? I have never been able to understand why that change was made. Did it result in any saving?

Mr. MURPHY: I am unable to state whether any saving of money has been made. This change took place I think in 1931. The Department of Agriculture have I believe an experimental farm in that area, and as the activities of the forestry branch of the department were greatly curtailed owing to the transfer of the natural resources, when it was necessary to curtail the personnel and the activities of that branch of the Department of the Interior it was decided after fully canvassing the situation that these two stations could with advantage to the public interest be transferred to the Department of Agriculture. I believe they have been carried on since that time without any lessening of the activities or services to the people of western Canada.

Mr. STEWART (Edmonton): It seems strange that the work of tree planting and tree production, which should be entirely under the control of the forestry branch, a branch that remains under the Department of the Interior, should be transferred to the Department of Agriculture. Clearly the latter department was not performing that service at all prior to that time, and it has not been extended since. Probably the minister is aware that it was the intention to establish a nursery farm in Alberta, but that has not been done. I did not realize just how much curtailment had taken place in connection with this activity until I made application this year to the provincial department in Alberta for some trees, and they informed me that they were giving out trees only for public parks and grounds around public buildings. To separate this particular branch from the forestry branch seems to me a retrograde step. I cannot see what special qualification either the minister or the officials of the Department of Agriculture have for the carrying on of that work that is not possessed by officials of the department in which this branch had up to that time been located. I think the change was a serious mistake.

Mr. MURPHY: If I understood the hon. gentleman correctly he said there had been a cessation of activity in regard to the distribution of trees from these stations. To the best of my knowledge, and I think I am correct, there has been no cessation of the work. It has been carried on since 1930 as extensively as before that time, the only difference being that it is now administered by the Department of Agriculture instead of the Department of the Interior. The employees at both these stations, Indian Head and Sutherland, have been retained. One reason which induced the change was that after the transfer of resources our field staff was practically non-existent, whereas the Department of Agriculture had inspectors whose duties took them over all areas in the three western provinces. That was practically the deciding factor in making the transfer. These men could carry out the necessary inspections and obtain the necessary information along with their other work, so it was thought that they were in a better position to administer these stations.

Mr. MOTHERWELL: If I may intervene, my recollection is that the government in 1931, in their very proper desire to economize—so long of course as it was true economy—had decided to close the forestry farms at both Sutherland and Indian Head. The minister will correct me if I am wrong.

I remember that the staff at Indian Head were all notified that their services would not be required after a certain day, I think June 1, 1931. Then a great agitation spread over the land. My hon. friend will remember that was one of our very worst and driest and windiest springs, yet when the country was almost blowing away the government was deciding to close the forestry station from which in the past trees had been obtained for planting. It was such an extraordinary move for the government to make that great public indignation arose, which was made manifest in so many ways that the government had to do something rather than just make an about face, so they decided to transfer these farms from the Interior department to the Department of Agriculture. I think that is about the way it happened. Then no extra vote was inserted in the estimates of the Department of Agriculture; these forestry farms were tied up to the experimental farms vote, with a smaller vote than the experimental farms received previously. If that sort of thing can be done without prejudice to the service, my hon. friend deserves a leather medal or something better. That is a feat of which I never heard before, but apparently it is being done, after a fashion at all events. If I am wrong in my recital I would consider it a friendly act if the minister would put me right, but my recollection of what happened in this respect in 1931 is pretty acute.

Mr. MURPHY: It is true that following the transfer of the resources to the western provinces in 1930 the activities which had been carried on in the Department of the Interior came under review, and it fell to my lot to scrutinize carefully every activity which might be continued by the department. It is true, as the hon. member has stated, that certain employees of these stations received notice that their services might be terminated as of a certain day, but not all the employees of those two stations were so notified. I may say quite frankly that it never was definitely decided that those stations should be closed, but rather that all services were studied in order to ascertain those that should continue to be performed by the Department of the Interior, having regard to the public interest, and what services should be performed by the provinces.

Mr. MOTHERWELL: We could not expect the minister to put it just as I did, but at any rate that was the effect of the whole business. If all those who were notified had been let out, these forestry farms could not have been carried on. However, the old saying is true; all's well that ends well. I was never particular whether these forestry farms were administered by the Interior department or by the Department of Agriculture, so long as they had the staff and the money with which to do the work. Time has shown that there is just as much demand for the services of these farms as there ever was, and if financial circumstances permitted the people to make more use of them I think there would be a greater demand now because of the devastating winds we have had since 1930.

Mr. REID: I wonder if the minister has the information before him with regard to the quantity of seed produced at the coniferous seed plant in New Westminster to what countries that seed is sent, and if any reports as to the results from that seed have been received from the countries to which the seed went. Further, is any of the seed produced or extracted at that plant used in Canada?

Mr. MURPHY: The total seed collected to the end of 1934 amounted to 46,785 pounds, of which the British forestry commission received 28,259 pounds, New Zealand 17,183 pounds, Australia 677 pounds, the Irish Free State 52 pounds, Northern Ireland 140 pounds, while certain small surpluses above the requirements of these countries were disposed of to dealers in Canada, Spain, Belgium, Finland, Denmark and other countries. I have no report as to the success the various countries had with these seeds, but as they are taking them year after year I judge that the results must be successful.

Mr. REID: Are we using any of that seed in this country?

Mr. MURPHY: The dominion government is not engaged in reforestation, that being a responsibility of the various provinces. I believe we do use small quantities, but they are so small as to be almost negligible.

Mr. GERSHAW: There happen to be in my constituency two national parks, which come under this department, and I find that there have been a great many complaints about the way those in charge of the parks manage them. They are supposed to be antelope reserves, but those in charge appear to have large herds of cattle and large bands of horses inside the reserves; consequently the grass is all eaten down. The neighbouring ranchers are very short of grazing areas, and they find themselves at

a great disadvantage as compared with the managers of the parks. Have these managers the sole grazing privileges in the parks?

Mr. MURPHY: I understand that the parks to which the hon. member refers are Wawaskesy and Nemiskam?

Mr. GERSHAW: Yes.

Mr. MURPHY: Nemiskam is purely an antelope park in which the dominion government have impounded the pronghorned antelope, which I believe is the only herd of its kind so confined in Canada, if not in North America. This area is fenced, and I do not think the cattle of settlers could enter that park because of the very high strong wire fence surrounding it. Wawaskesy, on the other hand, is an open range, and certain settlers have the privilege of pasturing a certain number of cattle on it. The park is now in charge of a caretaker who has the responsibility of issuing the permits and seeing that the area is not overgrazed.

Mr. GERSHAW: The complaint seems to be particularly in regard to the last named park; it is said that the caretaker uses all the territory for his own stock. However, I would like to ask the minister if he intends to have an open season this year for the shooting of antelope.

Mr. MURPHY: This matter was drawn to my attention some time ago and we have arranged to have the inspector of the soldier settlement board investigate the charges and communicate with the municipal authorities in that area, who I believe made the complaint in the first instance. The report has not come in as yet, but when it does I shall take such steps as are necessary under the circumstances. In reply to the last question I may say that no permission to shoot antelope will be given at least for this season.

Mr. SPEAKMAN: Just what are the functions of these forest experiment stations? Are they purely experimental or do they include a certain amount of distribution?

Mr. MURPHY: They are purely experimental, carrying on studies of the rates of growth of the various species and in fact the whole science of silviculture.

Mr. SPEAKMAN: Any distribution of forest products, then, that is carried on in those branches is under the Department of Agriculture?

Mr. MURPHY: Yes, that is correct. We make no distribution from our experimental stations.

Mr. MACKENZIE (Vancouver): Has the minister received any representations in the last year in regard to the taking over of Garibaldi park in British Columbia, and what is the policy of the department in that regard?

Mr. MURPHY: Yes, representations have been received this year, as in other years, in regard to the taking over by the dominion of Garibaldi park in British Columbia. If my memory serves me correctly the hon. member placed a question on the order paper which the Prime Minister answered. The answer at that time was in the negative; and the same answer applies now.

Mr. ILSLEY: Is it the intention of the government to establish a national park in the province of Nova Scotia, and if so, when and where?

Mr. MURPHY: Representations have been made by the province of Nova Scotia over a period of some months. Following those representations and an exchange of correspondence a survey of the different areas in Nova Scotia was made by an officer of the Department of the Interior, but so far no decision has been made and the matter is still under consideration.

Mr. ILSLEY: Could the minister state what sites are under consideration?

Mr. MURPHY: Northern Cape Breton, Yarmouth county and Blomidon peninsula.

Mr. DUFF: It is quite evident that the minister or his officials do not know the beauty spots of Nova Scotia. I can understand, of course, that Yarmouth county, and Blomidon, which is in the constituency of the hon. member for Hants-Kings, would come under review, but I must observe that there is a most beautiful situation in the county of Guysborough which forms a natural park. Before the minister makes a final decision I would suggest that he send his officials to that county. In fact if he is serious about the matter I am surprised he has not sent his officials to the county of Guysborough before this, because I may say to him there is no part of Nova Scotia where the beauties are so natural as they are in the particular part which I have the honour to represent.

Mr. MURPHY: From what little I have seen of the province of Nova Scotia I am sure it must contain many beauty spots, and I am certain, too, that the inhabitants of that beautiful province would consider that any area within its borders would be suitable for a national park. May I say however

that before a park can be established it is necessary for the province in which the park is to be located to donate the park area to the dominion government. Instructions were issued to our official to inspect the areas the provincial authorities had signified a willingness to donate to the dominion as a national park. If the hon. member feels special attention should be given to the area he has the honour to represent I would suggest that in the first instance he make his representations to the government of Nova Scotia. Then if they are so minded they will make proper representations to the dominion, at which time we could make our inspection. Until that action is taken, however, I am afraid no inspection will be made.

Mr. MACKENZIE (Vancouver): That did not work in British Columbia.

Mr. DUFF: Does the minister mean to say that the province of Nova Scotia made representations to him in which they named three points at which national parks could be established, namely in Yarmouth, Blomidon and Cape Breton? I cannot understand that. I have no influence with the government of Nova Scotia; in fact to be quite candid I am opposed to a national park in that province. It seems to me the minister would be well advised to forget the whole business. We have no need of a national park. We will cut our trees down and sell them under the British empire trade agreements, the marketing act, or some other agreements. We need all the money we can get, and instead of making a playground we want to get work for the people. We do not want parks into which the automobile drivers may drive their cars, have picnics and set fire to the woods of the province. Of course if there is going to be a national park I would suggest that my constituency is the most beautiful in the province, but may I add that my advice would be that the minister forget all about it.

Mr. MacDONALD (Cape Breton): I think there must be some misapprehension in this matter. I am informed on good authority that the provincial government have already expressed their willingness to grant the site necessary for a national park. There is but one site in the whole province of Nova Scotia suitable for such a park and that is to be found on the island of Cape Breton. For the benefit of the hon. member who has just spoken may I say that the whole county of Antigonish coupled with the neighbouring county of Guysborough would not be half large enough for a national park. The hon member seems to be under the impression that all that is required is a kitchen garden. The area required for a national park can be found only in the adjoining counties of Pictou and Inverness, where we could have a national park with all the grandeur and beauty appropriate to such purposes. I cannot say that I am any greater admirer of the local government than is the hon. member for Antigonish-Guysborough; in fact I do not think either of us thinks very favourably of it. I understand however that they have given the assurance to the originator of the national parks idea that they are ready to grant a site as soon as a selection is made by an official of this department. We hope to have that done this summer.

Mr. DUFF: It is interesting to hear the hon. member for Cape Breton South, especially when the hon. member for Inverness is sitting by his side, state that the only place for a park would be in the county of Inverness. The least he might have done would have been to wait until his colleague and deskmate, the hon. member for Cape Breton North-Victoria, was in his seat, because I think that hon. member would have liked to say something. So far as the hon. member who has just spoken is concerned may I say that all he represents is a hole in the ground. Every time a person steps out of a door in South Cape Breton he is scared to death he will fall in the Atlantic ocean. It is surprising to me that the hon. member would come to this chamber and suggest a national park in the part of Cape Breton he represents. It is quite true that my constituency is not as large as I should like to have it, but last year there were some people in this chamber who wanted to make it much larger. For some reason or other however it was left as it has been for the last ten years. Whether or not the government of Nova Scotia is anxious to grant a site, I believe I am speaking correctly when I state that the people of Nova Scotia do not want a national park. We can do very well without it. If the government is going to spend money, let it help the fishermen, the lumbermen or the farmers; let the minister help these people, as the minister who piloted his bill for $90,000,000 through the house only a few days ago is trying to do. Of course, a national parks program is all right when a Liberal government is in power, because in such times we have an overflowing treasury, business is good, we are able to pay off $258,000,000 of the public debt and have a surplus of $85,000,000. In those times we can build post offices in the hon. member's constituency; we can build public buildings in

New Waterford, and at such times it is quite all right to talk about expenditures for national parks. It seems to me the hon. member should hang his head in shame when he asks the Minister of the Interior to spend money for national parks in Nova Scotia, particularly when he must know about the deplorable and distressing conditions existing not only in Nova Scotia but throughout the country.

Mr. MacDONALD (Cape Breton): Such a statement as that cannot be allowed to go unchallenged, even if it be made by an hon. member as irresponsible as the hon. member for Antigonish-Guysborough—and I do not use the term invidiously. Nova Scotia is not the worst province in the dominion; it is the best. Not only is Nova Scotia the best province, but the county of Cape Breton is the best county. Apparently the hon. member does not appreciate the importance of having a national park; he does not seem to realize the benefits the fishermen would derive from it. I am sure if he did, having in mind the deep and abiding love he has for fishermen, he would withdraw his opposition to the creation of a park. I should be only too happy if the hon. member would find a place in the counties of Antigonish and Guysborough for a national park, but it is ridiculous to think that because he cannot have a park in his constituency he would go the length of preventing any other part of the province from having one.

Mr. DUFF: I thank the hon. member for South Cape Breton for those kind words.

Mr. VALLANCE: Now that we have listened to a discussion of maritime rights there is another matter I should like to discuss with the minister, and as I gave him notice of my intention undoubtedly he will have the information before him. I note that in addition to providing for national parks the vote provides for expenditures in connection with historic sites. In the town of Battleford, which is one of the oldest towns west of the great lakes and was at one time the capital of the northwest territories, away back in the early days when the Royal Northwest Mounted Police was first established, a barracks was built and attached thereto was seventy-five acres of land. About 1924 or 1925 the mounted police found it expedient to discontinue the occupancy of that barracks. The site of the northwest mounted police barracks is situated about one mile from the old town of Battleford and was at that time within the precincts of the corporation. An application was made to the then Minister of the Interior, the hon. member for West Edmonton (Mr. Stewart) on March 24, 1927. Prior to this application it was understood that Bishop Lloyd contemplated asking the government to lease this property to him. In a letter addressed to the superintendent, ordnance, admiralty and railway lands branch of the Department of the Interior, dated March 24, 1927, the town clerk states:

Dear Sir:

It is understood that Bishop Lloyd has decided to abandon the idea of leasing the former Royal Northwest Mounted Police barracks here, and if there is no other scheme of making use of the property, the council asks your consideration of a request that the buildings and surveyed area within the townsite be turned over to the town.

That was March 24, 1927. On July 4, 1927 we received a communication from the same department—there was a letter between the one of March 24 and that of July 4—as follows:

With reference to your letter of the 7th ultimo, I beg to advise you that the application of the town of Battleford to acquire the above mentioned property has been given careful consideration and it has been decided to permit the corporation of the town of Battleford to lease the said property, as recreational grounds, for a period of twenty-one years at the nominal rental of $1 per annum.

That arrangement continued until quite recently, then we find a notice from the present Minister of the Interior, dated August 4, 1934, in which he states:

I hereby give you notice in accordance with the proviso contained in the lease or agreement dated the twenty-ninth day of March, 1928, made between His Majesty the King, represented therein by the Minister of the Interior of Canada, of the first part, and yourself, of the second part, that I, Thomas Gerow Murphy, of the city of Ottawa, in the province of Ontario, Minister of the Interior, intend to determine the said lease on the fourth day of October, 1934, and I require you on or before that date to deliver up possession of the premises, namely, that portion of the town plot of Battleford in the province of Saskatchewan, in the Dominion of Canada, particularly described in the aforementioned lease.

Dated at Ottawa, Ontario, this fourth day of August, 1934.

Will the minister explain to the committee why he found it necessary to cancel that agreement entered into in March, 1928? I should like to know further what is being done with the property. Who now occupies the buildings, and for what purpose?

Mr. MURPHY: As the hon. member has stated, this property was leased to the town of Battleford under the authority of an order in council, P.C. 2380, dated December 20, 1927. This lease was given for an area comprising about seventy-five acres, together with several buildings thereon, and it was

issued to the town for recreational purposes for the term of twenty-one years, from February 1, 1928, at a nominal rental of $1 per annum. The conditions of the lease were briefly these:

1. The lessee to pay the rent as set forth and pay all charges, taxes, rates and assessments during the continuance of the lease.
2. The lessee not to sublet or assign without consent.
3. The lessor to have the right to enter upon the premises for inspection at any time.
4. That the said lands shall be used for the purposes aforesaid, that is, recreational purposes and for no other purpose.
5. The lessee within a reasonable time to repair and keep in repair buildings designated by an inspecting officer to be retained.
6. The lessor may cancel by notice in writing if rental unpaid for thirty days, or for contravention of the conditions of the lease.
7. Manner of notification of cancellation.

The town of Battleford violated the second and fourth conditions of the lease. The second condition was that the lessee was not to sublet or assign without consent, and the other condition was that the lands were to be used for recreational purposes and for no other purpose. The town allowed the late Constable John Guthrie to occupy one of the houses as caretaker and later allowed H. S. Stewart to use the barracks building to keep cattle, horses and pigs for fattening purposes, and also for housing some of his men. The hon. member must bear in mind that this property was to be used only for recreational purposes. Certain information came to the department in regard to the manner in which the town was allowing this property to be used, and we requested the Indian agent, Mr. S. L. Macdonald, to make an inspection and to report, and this was done. I have before me the details of his report. At a later date the Indian agent was asked to make a further report, which he did, and this report I have also before me. In answer to the last question, as to what is being done with the property at the present time, I may say that the lease has been formally cancelled and there is in charge a caretaker in the person of George W. French. The buildings, which have been occupied by certain people to whom permission was given by the town of Battleford, are I believe still in the possession of these people, but notice has been given them to vacate at a certain date.

Mr. VALLANCE: I do not think that anything has been done, which would constitute a violation of the agreement, that was not submitted to the department and approved. I have here a letter dated May 21, 1934, but before I go on to read it I think that there is an explanation due me if not this committee as to who George W. French is. I think the minister knows a little more about him than I do. Who is he and why is he there?

Mr. MURPHY: I am sorry I cannot give any personal information as regards George W. French. All I can say is that I believe he is a resident of the district and he is at present caretaker of the property.

Mr. VALLANCE: If the minister does not know who he is, will he tell us who it was that recommended him to take charge of this property?

Mr. MURPHY: The recommendation was made to me by responsible parties in that district.

Mr. VALLANCE: It is all very well for the minister to say that the recommendation came from responsible parties, but this committee has the right to know who these responsible parties are. There was nothing in the whole transaction, from the beginning until the time the minister took action against the town, that was not aboveboard. There was not a suggestion of change or of a breaking of the lease that was not first submitted to the department and agreed to. The minister speaks of responsible parties. Did the town of Battleford suggest that George W. French be the caretaker?

Mr. MURPHY: As regards the statement that complaints were not made by the town of Battleford in regard to breaking the terms of the agreement, of course they would not be made by the town. That is obvious.

Mr. VALLANCE: I did not say that.

Mr. MURPHY: But they certainly did violate the terms of the lease, and I am informed by my officials that the violations of the terms of the lease were made without the knowledge or consent of the department. As responsible minister in charge of the department, when information was received to the effect that the terms of the lease were being violated, I deemed it my duty to have an investigation made, and this was done. As we had no officer in the Department of the Interior to carry out the investigation we requested the nearest Indian agent, Mr. Macdonald, to make the investigation, and this he did. The action followed.

Mr. VALLANCE: There is no use in the minister and me fencing about who George W. French is. If I am wrongly informed, I

want the minister to correct me. I have no objection to Mr. French being a Tory, but he is also a relative of the minister.

Mr. MURPHY: Mr. George W. French is not a relative of mine.

Mr. VALLANCE: Then let us go back to the agreement. I hold in my hand a letter dated May 21, 1934, addressed to the department, as follows:

Re File No. 80980-5

Former Mounted Police Reserve—
Battleford, Saskatchewan

In reply to your letter of the 27th April I am instructed to say that the buildings have been kept in as good repair as possible, and those marked to be demolished were sold and the proceeds $644 placed to the credit of a fund from which repairs were paid for as required from time to time. There is now the sum of $238.68 to the credit of the account.

So that the committee may be acquainted with just what happened, may I say that there was a large block of buildings in the old northwest mounted police barracks. At one time there were about seventy-five mounted police stationed there. There were the usual quartermaster's stores, barracks, dormitories and so forth. The agreement entered into by the town with the department was that certain buildings should be demolished and that the lumber from them should be used in repairing the buildings that had to be kept for historic purposes. The letter goes on to say:

It is true that the building known as the concert hall was sold to Mr. Quehl and the material removed, the proceeds of the sale being placed to the credit of the fund referred to. The other buildings which have disappeared were treated in the same manner.

The council's reason for this policy was that the material would probably be made away with —the property being so far from town, and much of it was not suitable for repair work.

It is also true that there are some pigs in the large stable, and some cattle in the adjoining shed. These pigs and cattle are owned by Mr. H. S. Stewart whose application to lease the buildings was forwarded to you—

That is to the department.

—on 5th February last and acknowledged for consideration 15th February. Mr. Stewart farms 300 acres of the town lands adjoining the barracks property.

It is also true that Mr. John Guthrie, a former constable of the Royal Northwest Mounted Police is occupying the house formerly used by the superintendent, as caretaker—rent free.

I think the minister will admit that it was agreed when the agreement was entered into with the department that someone should be caretaker. Mr. Guthrie, an old Royal Northwest Mounted Police man, was given the position as caretaker by the town. The letter continues:

As caretaker he receives no pay. I regret to say that he is very ill at the present time and is not expected to recover. He is over seventy years of age and like all the old mounted policemen has served the west well.

May I refer you to a report—

To which the minister also referred.

—on these premises made by Indian Agent S. L. Macdonald, March 12/34, File No. 389-126. This report was made on the instructions of H. W. McGill, Esquire, Department of Indian Affairs at the request of the Minister of the Interior, and deals fully with all matters referred to except the funding of the money for the buildings disposed of and demolished. Copy of this statement is attached.

As the member representing South Battleford in which is situated the old town of Battleford, I merely wish again to raise my voice in condemning, if you like, the Department of the Interior for the action they have taken in this matter. There is no greater historic site in Saskatchewan to-day than the old Royal Northwest Mounted Police barracks, and there is no individual or group of individuals in a better position to take care of those old barracks than is the corporation or council of the town of Battleford. I hope the minister, before he leaves office, will reconsider the stand he has taken on this matter and restore to the old town of Battleford the agreement that was entered into by the late government in 1928. I think the minister himself will admit that it will be just too bad if we are going to allow a property like this to be used as a political football, and I will tell him, whether he likes it or not, that if he does not restore the agreement, every effort of mine will, as soon as the election is over, be used to reestablish the rights of the old town of Battleford in the possession of this property.

Mr. MURPHY: I think the hon. member has very well answered himself. He quoted to the committee a statement that certain of the buildings might be demolished, which demolition was carried out, and that the proceeds were to be used for the repair of the other buildings; that certain of the material was sold and that there was a balance remaining of $238.68, which was not used for the purpose of repairing buildings, which has not been turned over to the Department of the Interior, and which remains unpaid until the present moment. Further—and this is what I wish to draw to the attention of the committee—the hon. member has made a plea that this site should remain with the town of Battleford, because it is an historic site and the Battleford council are the best

people to administer it. They were given the administration of that area for one purpose only, namely, that it was to be used solely for recreational purposes. They did not so use it; the hon. member admits that himself. Certain of those buildings were used by Mr. Stewart to house cattle, sheep, pigs; stacks of feed were placed on the ground, and of course the grounds would be covered with the litter from the stables in which the various animals were housed. In developing his theme, the hon. member stated that this was an historic site and that the town was therefore the best instrument to be used to perpetuate its memory. I have related to the committee how those grounds were used. I put this question to the committee: Is that a proper and fitting way to use an old historic site—to utilize the buildings for the housing of animals and to have the grounds covered with litter, especially in view of the terms of the lease that the area was to be used for recreational purposes only. I have before me the detailed evidence, the report of the agent as to the condition of those buildings. I do not make any apology for the action taken, and were the matter to be dealt with to-morrow, I would take the same action with the town of Battleford or any other community which had violated, in the manner in which this was done, the terms of an agreement entered into.

Mr. VALLANCE: There are two questions I would like the minister to answer. When I read the letter dated May 21, 1934, addressed to the commissioner of Dominion lands, it contains this paragraph, just as the minister has stated:

> It is also true that there are some pigs in the large stable, and some cattle in the adjoining shed. These pigs and cattle are owned by Mr. H. S. Stewart whose application to lease the buildings was forwarded to you on 5th February last.

Did the minister receive that application, and did he refuse it or what became of it? I would like the minister to read the letter if he has it—and I think he has—in reply to this letter sent from Battleford on May 21, 1934.

Mr. MURPHY: That application never came before me. It may have been sent to the department, but to the best of my knowledge or recollection I did not see it. It may have been sent to the town; the town may have approved it in the first instance and it may have been sent to the department, but I have no recollection of that application ever coming before me, and I am assured by the officials that consent was never given, although apparently Mr. Stewart was in occupation of that building at the time and had been for some time previously.

Mr. VALLANCE: The minister has already stated that it was because of the occupation of Mr. Stewart of the buildings that he cancelled the agreement. Now he says that the application never came before him.

Mr. MURPHY: That is not what I said.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 12, 1935

The house met at three o'clock.

MINIMUM WAGE

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Yesterday the hon. member for Témiscouata (Mr. Pouliot) asked me a question in regard to the page numbers in connection with the journal of the League of Nations which he had before him. I think perhaps the hon. gentleman had the wrong publication. The information which he seeks is as follows:

> In reply to Mr. Pouliot's question on the 11th March, Hansard, page 1704, it might be explained to him that the texts of draft conventions and recommendations adopted by international labour conferences are not printed in the official journal of the League of Nations but are to be found in the official bulletin of the international labour office where, on page 121 of the issue of the 31st July, 1928, he will find the text of the convention concerning the creation of minimum wage fixing machinery.

BUTTER PRICES

On the orders of the day:

Hon. ROBERT WEIR (Minister of Agriculture): In reply to a question asked yesterday by the hon. member for Prescott (Mr. Bertrand), I have the following information: The following statement gives the daily wholesale jobbing quotations for the week ending March 9 for creamery extras, 92 score butter on the two major butter markets in the United States, New York and Chicago, and the price

of No. 1 pasteurized butter on the two major butter markets in Canada, Montreal and Toronto:

Date, 1935	New York c. per lb.	Chicago c. per lb.	Montreal c. per lb.	Toronto c. per lb.
March 4. . .	31½	30	25-25¼	25½
March 5. . .	31⅝	30	25-25¼	25½
March 6. . .	31¾	29¾	25-25¼	25 -25½
March 7. . .	31½	29¾	25-25¼	25¼
March 8. . .	32⅜	30½	25-25¼	25¼
March 9. . .	32¾	31	25	25¼

Ninety two score butter, creamery extras, in the United States corresponds with No. 1 pasteurized creamery butter in Canada. The wholesale price of butter in Windsor is governed largely by the Toronto market while the price at Detroit is governed largely by the Chicago market. The differential in these wholesale prices as at March 8 was 5¼ cents per pound.

The difference in retail prices as quoted from the Border Cities Star of March 8 is 18 cents per pound. If the retail prices quoted are correct the retail dealer in Detroit is evidently securing a much wider spread than the retail dealer in Windsor and the primary producer in the United States is not securing one-third of the alleged differential in the retail prices. It has been impossible for us to get definite retail butter prices in Detroit.

The reduction in creamery butter production in the United States for 1934 amounted to 108,896,200 pounds, of 6·18 per cent. Cold storage holdings of creamery butter in the United States on February 1, 1935, were 18,984,000 pounds as compared with 75,995,000 pounds on February 1, 1934, a reduction of slightly over 75 per cent. As a result the United States has been definitely on a butter import basis during the past few months.

The United States maintains a general tariff on butter of 14 cents per pound.

WESTERN POULTRY MARKETING

On the orders of the day:

Hon. ROBERT WEIR (Minister of Agriculture): In reply to a question asked by the hon. member for Macdonald (Mr. Weir) on March 6, I have the following information with reference to the vote on the poultry scheme in the three prairie provinces:

Alberta

In favour—		Per cent	Total votes
Votes. . . .	12,635	62.5	
Poultry. . .	958,064	63.0	
			20,222
Against—			
Votes. . . .	7,587	37.5	
Poultry. . .	563,367	37.0	

Saskatchewan

In favour—		Per cent	Total votes
Votes. . . .	27,749	63.4	
Poultry. . .	1,828,692	62.8	
			43,761
Against—			
Votes. . . .	16,012	36.6	
Poultry. . .	1,081,884	37.2	

Manitoba

In favour—		Per cent	Total votes
Votes. . . .	6,070	24.3	
Poultry. . .	433,800	24.7	
			25,001
Against—			
Votes. . . .	18,931	75.7	
Poultry. . .	1,324,688	75.3	
			88,984

In addition to the above ballots the following were received which due to some deficiency cannot be considered valid:

Alberta. . . .	1,407	
Saskatchewan..	2,582	
Manitoba. . .	1,264	5,253
		94,237

Due to the remoteness of certain small post offices it is possible that a few ballots may still be received, but we have estimated that this number should not exceed 100.

Based upon the number of producers as estimated from the census returns for 1931, the percentage of producers who voted is as follows:

Alberta..	33.3
Saskatchewan..	48.3
Manitoba..	64.2

In reply to the other question by the hon. member for Macdonald, as to whether or not the scheme would be put into effect I should like to say that in view of the fact that the supporters of the scheme appealed for support on the basis that the plan would not be put into effect unless carried by at least 66⅔ per cent of the voters, the scheme will not be put into effect in any of the three provinces.

RAILWAYS AND SHIPPING

On the orders of the day:

Mr. R. W. GRAY (West Lambton): Mr. Speaker, would the Minister of Railways and Canals indicate when the special committee on railways and shipping will be convened?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, in order that it would not be thought that we were in any way holding up the proceedings of the committee I discussed the matter only a few days ago with some hon. members opposite, asking them when they would like to have the committee meet. As a matter of fact there is not much with which it could deal at the present time. The report of the Cana-

dian National Railways has not yet come down, and I was informed this morning that it will not be down for another ten days. Until that report arrives there is not very much with which the committee could deal. However I shall be glad to call it or to see that it is called at the desire of the members of the committee themselves, for that matter.

ALASKAN HIGHWAY

On the orders of the day:

Right Hon. Sir GEORGE PERLEY: Mr. Speaker, one day last week the hon. member for New Westminster (Mr. Reid) asked a question regarding a press dispatch which made reference to a bill in the United States Senate regarding the proposed Alaskan highway. The information I have gained indicates that a bill to the effect mentioned was passed by the United States Senate on February 25. It requested the president to negotiate with Canada an agreement for the survey, location and construction of the highway, and to make a survey of the route in cooperation with the dominion government. The bill has not yet been passed by the House of Representatives. The President of the United States has not yet made any representations on the subject.

NORTH SASKATCHEWAN BRIDGE

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, on Thursday, February 14, I directed a question to the Minister of Public Works (Mr. Stewart). The question regarding a press dispatch which the building of a bridge over the North Saskatchewan river at a point called Ceepee on the Jasper highway between North Battleford and Saskatoon. The essence of the question was as to whether or not this project would be included in any government public works program. The minister answered that I would have to await legislation which might be brought down, or that he would make a statement when the estimates for the Department of Public Works were before the house. No legislation has been brought down and no statement has been made. May I ask the minister if he could add anything to the statement he made at that time?

Mr. STEWART (Leeds): As the hon. member knows, no provision has been made in the main estimates for this work, and the supplementary estimates are not yet prepared. No bill has been drafted under which any provision would be made for this work.

[Mr. Manion.]

CIVIL SERVICE

On the orders of the day:

Mr. G. W. McPHEE (Yorkton): Mr. Speaker, I should like to refer to a question asked by me on March 6, and appearing at page 1464 of Hansard, referring to the removal of civil servants. My question was:

How many civil servants have been removed from their positions since the present government came into office by: (a) dismissal; (b) superannuation; (c) death; (d) other causes?

The Secretary of State indicated on that occasion that the term "civil servant" was defined in the Civil Service Superannuation Act, and upon that occasion he quoted the definition appearing in chapter 24 of the revised statutes. I find, however, upon looking into the statutes that while "civil servant" is defined in chapter 24, the Civil Service Superannuation Act, a further definition is given in chapter 22 of the revised statutes of Canada, namely The Civil Service Act. In chapter 22, "civil service" is defined as follows:

(a) "civil service" means the civil positions and employees in and under the several departments of the government of Canada, and in the offices of the Auditor General, the Clerk of the Privy Council, the Governor General's Secretary, the Public Archives, the Board of Railway Commissioners for Canada, the Civil Service Commission, and all other civil positions under and persons in the civil employ of His Majesty, but not including the members of any commission or board appointed by the governor in council.

I should like the Secretary of State to give a return based upon the definition appearing in the interpretation clause of chapter 22 of the Civil Service Act.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, the hon. member knows that the definition he has quoted would include all temporary employees, whether they be employed only a few days, or otherwise. That is why I called his attention to the section quoted, because I wanted to know whether he wished temporary employees to be enumerated in the return he desired. However, I shall see the return is tabled according to his present request.

UNEMPLOYMENT INSURANCE

MEASURE TO ESTABLISH AN UNEMPLOYMENT AND SOCIAL INSURANCE COMMISSION

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved the third reading of Bill No. 8, to establish an unemployment and social insurance commission, to provide for a national employment service, for in-

surance against unemployment, for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto.

He said: Mr. Speaker, I believe the Minister of Justice (Mr. Guthrie) has an amendment to move.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I move:

That Bill No. 8 to establish an unemployment and social insurance commission, to provide for a national employment service, for insurance against unemployment, for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto be referred back to the committee of the whole with instructions to amend section 33 of the bill by inserting the following subsection immediately after subsection (1):

"(2) Proceedings under subsection (1) of this section may at the instance of an employed person be instituted by the commission on behalf of such employed person."

Amendment agreed to and the house went into committee, Mr. Morand in the chair.

On section 33—Civil proceedings by employee against employer for neglect to comply with act.

Mr. NEILL: Would you read the amendment that is proposed, Mr. Chairman?

The CHAIRMAN (Mr. Morand): It is moved that this bill be referred back to committee of the whole with instructions to amend section 33 by inserting the following subsection immediately after subsection (1):

(2) Proceedings under subsection 1 of this section may at the instance of an employed person be instituted by the commission on behalf of such employed person.

Sir GEORGE PERLEY: Mr. Chairman, in thinking over this matter, which was discussed very fully the other day in committee, I have come to the conclusion that the sections of the act are quite sufficient and strong enough to make sure that the contributions from both the employer and employee are properly gathered in, taken care of and handed over to the commission.

I would draw the attention of members of the committee to the provisions of sections 18 and 34 which should ensure at all times that the necessary stamps will be actually affixed to the books so that the money will be available to the commission. Section 18 gives power to the governor general in council to make regulations regarding the preparation and issue of the stamps. It also gives power to the governor in council to make regulations effecting the payment and collection of these contributions by means of stamps, and power also to make regulations prescribing in great detail the time and conditions under which these stamps may be affixed or impressed. Furthermore paragraph (c) of subsection 2 of section 18 provides the widest possible power of inspection that can be thought of and for the delivery up of unemployment books and everything of that kind in order to make sure that these stamps are properly affixed in accordance with the law. In fact, the commission can go as far as they wish to make sure that the stamps are placed on the books week by week.

Then if hon. members will refer to section 34 they will see that it provides sweeping powers for the inspectors. I do not see how those powers could possibly be made any wider, and I feel that this section is a great safeguard to the employees in order to make sure that their contributions go into the proper channels.

Then by subsection 2 of section 31 very stringent provisions are enacted for the punishment of any person, whether employer or employee, who does not comply with the act. As a matter of fact, as I read subsection 2 of section 31 the employer would be liable to a fine of $50 or imprisonment in gaol for three months for every offence that he committed under this act; for instance, if he kept back 25 cents of the stamp money that he collected from his employees and did not put the stamps on the books, I take it that for every such offence he would be liable to a fine of $50. So as I see it, there is nothing more that can be done to make sure that this money goes into the proper channels.

Now coming to the section which is under review, section 33, I take it, Mr. Chairman, that anyone who has examined the provisions of the bill which I have cited this afternoon will agree that everything possible is done to ensure the carrying out of the provisions of this bill and the regulations made under it. Fines and imprisonment may be meted out to any employer who does not properly carry out the provisions of the bill. It seems evident to me that the successful enforcement of this proposed act depends entirely upon the carrying out of these provisions, which are so broad and so stringent.

Coming more particularly to subsection 1 of section 33, as I said to the committee the other day, an examination of the debates on the British bill discloses that the working of this provision has been going on in England since 1920 without any serious objection. It would appear from that, that it is seldom necessary for workmen to try to avail themselves of this civil right which is given to

them by the British act and by this section. In other words, as I understand this section, if some offence is committed the employer, just the same as the employee, is liable to fine and imprisonment and to all the penalties under this act. The commission must see to it that the regulations are strictly enforced, and then no difficulty will arise; but should one arise, the workman has the right of civil action as well. It is simply right that is given to him in addition to all the provisions and conditions that are inserted in this bill to make sure that the employer turns in the money as he is bound to do.

I say to the committee that I have looked over this bill carefully since the discussion the other day, and in my opinion it is all right as it is, but in deference to the arguments that have been put forward by some of the members of this house it is our desire to make this bill just as free from defects as possible, particularly when it comes to safeguarding the interests of the employee, for whose benefit, after all, this bill is intended. I have therefore talked it over with some of my colleagues and we have come to the conclusion that it would not impair the effective provisions of the bill for enforcing payments if an amendment were made in accordance with the one that was suggested by the Minister of Justice (Mr. Guthrie) when this bill was referred back to the committee for the purpose of inserting this provision. I suppose the amendment had better be moved by the Minister of Justice.

The CHAIRMAN: Mr. Guthrie moves:

That section 33 of the bill be amended by inserting the following subsection:

"(2) Proceedings under subsection (1) of this section may at the instance of an employed person be instituted by the commission on behalf of such employed person."

Mr. E. J. GARLAND (Bow River): Stripped of all unnecessary verbiage, this amendment simply suggests that the employee, under subsection 3, may ask the commission to take action to recover as a civil debt the amount that the employer has failed or neglected to pay over and which he has already collected from the employee. Now, in my opinion this proposed amendment only, in the most meagre and indeed almost utterly minute fashion, meets the objections to which the acting Prime Minister refers. Our objections to section 33 are principally twofold. First, it definitely implies a loss of benefit to the employee in the event of default on the part of the employer to pay over the amounts collected by him from the employee, and we say that under no circumstances should an employee, who in good faith has paid over his contribution, be rendered liable. Once the default has taken place, once the employer has neglected or failed to make payment of the amounts paid to him by the employee, there should be no responsibility whatever on the employee to bring suit; that responsibility should rest solely with the commission itself. So that on both these grounds the proposed amendment fails utterly to meet the claims made by hon. members on this side of the house who have addressed themselves to the discussion of this section. I see no value particularly in this amendment, other than that it does give the employee, after he has suffered a loss to which he should never be submitted under the bill, the right to ask the commission to bring suit so that the commission may recover moneys already due to the commission itself. It is a perfectly absurd provision. The amendment proposed from this side would have cleared up the whole matter, and if the government had been sincere in its wish to protect the interests of the employee and to insist on the obligations of the commission, it would have accepted the amendment we suggested.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

Sir GEORGE PERLEY moved the third reading of the bill.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I noticed in one of the local papers of Saturday an article which stated that a division was expected on what the article termed the constitutional angle of the measure, referring to this particular bill with respect to unemployment insurance. One of the headings of the article reads:

Report Liberal leader will move unemployment insurance bill be referred to supreme court.

The article itself says:

The government is certain to reject Mr. King's suggested amendment . . .

—giving certain reasons. It goes on to say:

Likewise it was reported that several Liberals intend to speak and also vote against the bill on third reading.

I would not call your honour's attention to this particular article were it not for the fact that I have seen similar articles in the press in other parts of the country, all intended to create the impression that the Liberal opposition is determined if possible to thwart the enactment of this and other measures of social legislation by raising the constitutional issue whenever opportunity presents itself, and that we intend to divide

the house on that score on the third reading. Before the bill was introduced at all I did make clear that from our point of view it would be preferable in every way that the question of the competence of this parliament to enact social legislation being introduced should be settled in the first instance by obtaining an opinion from the supreme court. We believed that had that step been taken and a favourable opinion secured we might have proceeded with a greater sense of security in dealing with this legislation, knowing that when it was enacted it would be enforceable. But I took care when the bill itself was actually brought in not to discuss that aspect of the matter more than was necessary, and other members on this side did the same. When the bill was in committee I did suggest an amendment to the effect that the opinion of the supreme court should be obtained. I did that in committee because it was a less formal stage; and I thought it was necessary to have on record somewhere, in a formal way, the view of the opposition as to the desirability of obtaining an opinion in advance if it were possible so to do. But having done that I now feel that I have placed myself on record in a manner which can no longer be open to question or doubt, and it is not my intention to move any amendment on the third reading. I do wish however at the present time to make a statement which once and for all will put clearly before hon. members and the country the exact position of the Liberal opposition towards this social legislation. What I have to say, in order that it may be set forth as concisely and exactly as possible, I have thought well to reduce to the form of a statement which I shall read with care. I wish to make it clear that what I am saying now in reference to this unemployment insurance measure has reference also to the eight hour day bill which we were discussing yesterday and will have reference as well to the bill with respect to the minimum wage, of which there is notice of a resolution on the order paper. Our attitude is the same towards all these measures.

This may be an appropriate moment at which to make a general statement with respect to those measures of social legislation being introduced by the government, which, under judicial interpretation of the distribution of powers between the dominion parliament and the provincial legislatures, we believe to be beyond the legislative competence of this parliament.

Where we hold the opinion that it is not competent for this parliament, without previous amendment of the British North America Act or by agreement with the provinces, to enact certain of those measures, we base our opinion upon past judicial decisions, as well as upon judicial opinion. We assert the view we do because it is the view which, until the present year, has been held by the provinces and the dominion alike, and believed to have been unanimously held by members of both houses of parliament.

We are now, for the first time, being informed by the government that it has been advised by the law officers of the crown that recent decisions of the privy council justify the opinion that the legislation in question is within the competence of the dominion parliament, in other words, is intra vires, where formerly it was held to be ultra vires. The Prime Minister (Mr. Bennett) has given what, in his opinion, are additional reasons why the legislation should be so considered.

We still believe that in a matter of such importance the best method of relieving uncertainty, of avoiding unnecessary disturbance of business, and of determining jurisdiction in accordance with our national tradition, is by taking an advisory opinion from the supreme court, or by a constitutional amendment. The government must assume sole responsibility for adopting a more arbitrary and uncertain procedure.

The Liberal party approves the principle of the social legislation thus far introduced and desires to see it in operation. We refuse to be manœuvred into a position of opposition to this legislation. We refuse, also, by voting against the legislation, to raise directly an election issue of provincial rights.

The sole responsibility for raising the issue of provincial rights rests upon the present administration by its subordination of constitutional propriety, and the long-run objectives of national unity and cooperation, to considerations of party strategy. We believe the attempt of the government to make a controversy over provincial rights a major issue of the coming elections would, if successful, endanger the unity of the dominion.

All legislation is subject to the determination of its validity by the courts. It is certain that the validity of the legislation in question will be determined by the courts, and, in the last resort, by the judicial committee of the privy council. Its validity cannot be determined by this parliament; neither can it be determined by the result of a general election. Least of all, can legislation that is ultra vires the dominion parliament be made intra vires by either the assertion or the assumption of authority on the part of the government.

If the privy council declares that the jurisdiction in any of the measures submitted rests with the provinces, it can only be transferred to the dominion by a constitutional amendment. It is for this reason that we believe that the government, some time ago, and certainly before introducing the legislation, should have sought a determination of the question of jurisdiction, and, if such were required, obtained the necessary constitutional amendment. We leave it to the judgment of hon. members of this house whether, in the eventuality of the present legislation being declared by the privy council ultra vires of this parliament, the path of constitutional amendment has been made easier by the arbitrary procedure adopted by the government.

If parliament possessed the jurisdiction, we would vote for the measures of social legislation thus far introduced. The position at present, therefore, is that by the conflict between what is now given, as their opinion, by the Minister of Justice (Mr. Guthrie) and the Prime Minister, and what in previous years was expressed as their opinion, we do not know that parliament does not possess the jurisdiction. That, as the Prime Minister himself has said, can only be determined by the decision of the privy council on the particular legislation. This is the safeguard provided by our constitution against the arbitrary appropriation by the dominion of provincial powers. We propose, therefore, to vote for these measures, subject to this continuing constitutional safeguard, which is implicit in the provisions of our federal constitution, and which cannot, by any form of words, be evaded by the present administration.

May I add that were we to vote against any of these measures, simply because of the belief we entertain on the score of jurisdiction, it would be made to appear that we are opposed to legislation as set forth in the terms of the labour convention and general principles associated with the League of Nations and incorporated in the conditions of peace, whereas, at the national Liberal convention in 1919, the Liberal party accepted in their entirety, in the spirit in which they had been framed, and in so far as the special circumstances of the country would permit, the terms of the labour convention and the general principles associated with the League of Nations and incorporated in the conditions of peace.

For us to oppose these measures would also be to adopt a course at direct variance to that which we followed when the Liberal party was last in office, at which time the Liberal administration had already begun negotiations with the several provinces with a view to the enactment of similar measures, and, I might add, when the Liberal party introduced and had passed through the House of Commons the act respecting old age pensions.

An attitude of opposition to these measures might, moreover, suggest that we were not favourable to uniformity of legislation with respect to such matters as unemployment and other forms of social insurance, maximum working hours, minimum wages, "sweating," and the like, whereas, when in office, we sought to effect a national minimum of industrial standards in the only way, short of a constitutional amendement, which it was believed was possible to effect that end, namely, by agreement between the provinces, effected as a result of conference.

An attitude of opposition might also suggest that we were unfavourable to a constitutional amendment which would permit of the establishment, under federal authority, of a national unemployment insurance scheme, and a national minimum of labour standards. The direct opposite, of course, is the case. We have repeatedly urged that the British North America Act should be so amended as to confer upon this parliament, subject to essential safeguards, the necessary authority to enact such measures of social legislation as may be in the national interest.

We do not propose to permit the adoption by the government of a method which, for the reasons mentioned, we believe will prove to be ineffective to place us in a false position as to our aim and desire to achieve, by the only method which we believe to be effective, a purpose upon which all hon. members seemingly are now agreed. That method we shall yet pursue, and that aim we shall yet attain, when the inadequacy of the method now being adopted with respect to social legislation has been made apparent, and is proven to be insufficient to serve the government's professed ends with respect to its measures of social legislation and, what we believe to be, the government's real purpose in introducing the measures in their present form, at the present time.

Sir GEORGE PERLEY (Argenteuil): The right hon. gentleman has put forward a carefully prepared statement of his case in regard to this bill, but I am not a lawyer and therefore do not propose to discuss that memorandum. But I wish to say this to the country and to my right hon. friend: This matter has already been thoroughly discussed in this house, and the position of the government was put forward by the Prime Minister (Mr.

Bennett) himself in no uncertain terms at the time the resolution was originally introduced. The answer to what my right hon. friend has advanced will be found in the report of the debate of that day.

Mr. WOODSWORTH: Mr. Speaker—

Some hon. MEMBERS: Order. The debate is closed.

Mr. SPEAKER: The hon. member may go ahead.

Mr. WOODSWORTH: Am I in order, Mr. Speaker?

Mr. SPEAKER: Yes.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I think I should like to congratulate the leader of the opposition (Mr. Mackenzie King) on having so successfully negotiated a very sharp corner.

Mr. MACKENZIE KING: I do not know whether my hon. friend is referring to what I am trying to do for him. I might raise the point that the debate is closed because the leader of the government who introduced the motion has already spoken, but I hope my action in not raising that point may result in my hon. friend having his chance to go ahead.

Mr. WOODSWORTH: Well, we will not go into that point of order. The leader of the opposition suggested that the position had been almost unanimous in the house that social legislation of this kind was a provincial matter. I think the hon. member for Quebec East (Mr. Lapointe) the other day made the statement that I myself had taken that position. Some years ago I acquiesced in the report of the committee on unemployment insurance simply on the ground that the law officers of the crown had stated that the matter was provincial in character; that is all. But again and again I have stated that I thought that any body that had the right to negotiate peace treaties had also the duty to see that those treaties should be enforced.

But it was not for that purpose that I rose at the moment, but rather to move an amendment. Some of us feel very strongly in regard to section 33. It may not be a matter of prime importance, but it does seem to me that it is a matter that involves a very substantial measure of injustice to the employee. The amendment which was carried and has now been incorporated in the bill it seems to me does not meet the situation at all. It merely means that now the commission may act as attorney for the employee, but it still leaves the employee with a possibility of loss through conditions over which he has absolutely no control. Under this bill he is to be compelled to pay a premium, but he may lose his right to benefit, and even under the amended form he must take the initiative and may still be liable to loss. I do not think that is fair. I do not want to traverse the ground that has been gone over again and again in the discussion in committee, but I beg to move:

That Bill No. 8 be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it by striking out subsection (1) of section 33 and inserting therefor the following:

"Section 33, subsection (1):

"Where an employer has failed or neglected to pay any contributions which under this part of this act he is liable to pay in respect of any employed person in his employment, or has failed or neglected to comply, in relation to any such person, with the requirements of any regulations relating to the payment and collection of contributions, this failure or neglect on the part of the employer shall not be taken as reason for loss in whole or in part of the unemployment benefit to which the employee would have been entitled under this part of the act, and the commission shall be entitled to recover from the employer as a civil debt a sum equal to the amount of the contributions which he collected or failed or neglected to pay to the commission."

Some hon. MEMBERS: Out of order.

The house divided on the amendment (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Bertrand	Mackenzie (Vancouver Centre)
Blair	MacLean
Bothwell	Macphail, Miss
Boucher	McKenzie (Assiniboia)
Bradette	McKinnon
Brown	McPhee
Campbell	Marcil
Cardin	Mills
Carmichael	Mitchell
Casgrain	Moore (Ontario)
Chevrier	Mulock
Coote	Munn
Desrochers	Neill
Donnelly	Parent
Dubuc	Perras
Dumaine	Reid
Dupuis	Rennie
Euler	Rhéaume
Fontaine	Rinfret
Gardiner	Roberge
Garland (Bow River)	St-Père
Gershaw	Séguin
Girouard	Speakman
Goulet	Spencer
Hanbury	Taylor
Hanson (Skeena)	Thauvette
Howden	Totzke
Hurtubise	Vallance
Jacobs	Veniot
Lacroix	Verville
Lucas	Weir (Macdonald)
Luchkovich	Woodsworth—65.
MacInnis	

NAYS

Messrs:

Anderson (Toronto-High Park)	McGregor
Arsenault	McLure
Arthurs	Manion
Baker	Matthews
Barber	Moore (Châteauguay-Huntingdon)
Barrette	Morand
Belec	Mullins
Beynon	Myers
Bourgeois	Peck
Bowen	Perley (Qu'Appelle)
Boyes	Perley (Sir George)
Bury	Pickel
Cahan	Plunkett
Cantley	Porteous
Chaplin	Price
Charters	Quinn
Church	Robinson
Cotnam	Ross
Davies	Rowe
Dickie	Ryerson
Dorion	Sauvé
Duguay	Shaver
Duranleau	Short
Embury	Simpson (Algoma West)
Esling	Smith (Victoria-Carleton)
Fraser (Cariboo)	Sproule
Garland (Carleton)	Stanley
Gobeil	Stewart (Leeds)
Hackett	Stewart (Lethbridge)
Hanson (York-Sunbury)	Stinson
Harris	Stirling
Hay	Stitt (Selkirk)
Johnstone	Sutherland
Jones	Swanston
Laflèche	Thompson (Lanark)
Larue	Tummon
Laurin	Turnbull
Loucks	Weese
Macdonald (Kings)	White (London)
Macdougall	White (Mount Royal)
MacMillan (Saskatoon)	Willis
MacNicol	Wilson—86.
McDade	
McGillis	

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Halton)	Factor
Baribeau	Beaubien
Beaubier	Ahearn
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John)	Dubois
Bennett	King
Burns	Butcher
Casselman	Howard
Cowan	Ilsley
Dupré	Ferland
Edwards	Elliott
Ernst	Fournier
Fortin	Fafard
Gagnon	Boulanger
Ganong	Michaud
Geary	Mercier (Laurier-Outremont)
Gordon	Fiset (Sir Eugène)
Gott	Rutherford
Guthrie	Lapointe
Kennedy (Winnipeg)	McIntosh
Lawson	Gray
MacDonald (Cape Breton)	Urquhart
McGibbon	Power
Maloney	Young
Murphy	Stewart (Edmonton)
Pettit	Bouchard
Rhodes	Ralston
Sen	Sanderson
Simpson (Simcoe)	Irvine
Smith (Cumberland)	Duff
Smoke	Pouliot
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Sullivan	Brasset
Tétreault	Deslauriers
Thompson (Simcoe)	Jean
Weir (Melfort)	Motherwell
Wright	Golding

Mr. GOTT: I was paired with the hon. member for Kent (Ont.) (Mr. Rutherford). Had I voted, I would have voted against the amendment.

Mr. SPEAKER: I would remind the house that some time ago we decided that in declaring pairs we would start at this end, go down the government side, then come back to this end and go down the other side.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted, I would have voted against the amendment.

Mr. COWAN: I was paired with the hon. member for Hants-Kings (Mr. Ilsley). Had I voted, I would have voted against the amendment.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted against the amendment.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted, I would have voted against the amendment.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted, I would have voted against the amendment.

Mr. SMOKE: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted, I would have voted against the amendment.

Mr. WRIGHT: I was paired with the hon. member for South Huron (Mr. Golding). Had I voted, I would have voted against the amendment.

Mr. BEAUBIER: I was paired with the hon. member for Ottawa (Mr. Ahearn). Had I voted, I would have voted against the amendment.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted against the amendment.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for Toronto South (Mr. Geary). 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.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted for the amendment.

Mr. MACKENZIE KING: I was paired with the right hon. Prime Minister (Mr. Bennett). Had I voted, I would have voted in favour of the amendment.

Mr. LAPOINTE: I was paired with the Minister of Justice (Mr. Guthrie). Had I voted, I would have voted for the amendment.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted for the amendment.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the amendment.

Mr. MacMILLAN (Mackenzie): I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted, I would have voted for the amendment.

Mr. IRVINE: I was paired with the hon. member for North Simcoe (Mr. Simpson) Had I voted, I would have voted for the amendment.

Mr. DESLAURIERS (Translation): I was paired with the hon. member for Shefford (Mr. Tétreault); had I voted, I would have voted for the amendment.

Mr. FAFARD (Translation): I was paired with the hon. member for Lévis (Mr. Fortin). Had I voted, I would have voted for the amendment.

Sir EUGENE FISET (Translation): I was paired with the hon. Minister of Labour (Mr. Gordon). Had I voted, I would have voted for the amendment.

Mr. BRASSET (Translation): I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted for the amendment.

Mr. JEAN (Translation): I was paired with the hon. member for East Simcoe (Mr. Thompson). Had I voted, I would have voted for the amendment.

Mr. BEAUBIEN (Translation): I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted, I would have voted for the amendment.

Mr. GAGNON (Translation): I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted against the amendment.

Mr. E. J. GARLAND (Bow River): Before the bill is voted on for the last occasion I think it my duty, in view of certain statements I made in committee and certain motions I then proposed, to discuss it once more on third reading. I do not propose to take any more of the time of the house in the matter than is absolutely necessary. The report of the dominion child and family welfare office for December last states:

With all that there is of encouragement in a picture that, for four years, has stood in almost unrelieved darkness, there are still certain incontrovertible challenges—

I ask hon. members to listen to these figures:

—at least 200,000 heads of families, probably more, are still receiving unemployment relief, and over 20,000 able bodied, employable men are in relief camps, with perhaps 25,000 to 30,000 men temporarily engaged in relief works. There are probably 25,000 more single or homeless men idle in their own communities. There are an unascertained number, at least not less than 200,000 youths and girls from, say, sixteen to twenty-four or twenty-five years of age, who are idle, unemployed, and receiving relief either in their homes, or as "single persons."

The agency believes that the cost in cold dollars amounts to something over $1,250,000 a week, and that it continues to exceed the railway deficit. That is an interesting comparison.

Ontario's costs alone exceed $2,250,000 monthly, and the city of Montreal is spending at the rate of $1,400,000 per month. The cost in character and morale cannot be measured.

That was in December. According to that report there were some signs of hope, but when we come to the report published on February 27, we find this:

Though up to early December, 1934, relief totals contrasted encouragingly with those of 1933, since about the third week of December there have been indications of a sharp upward movement continuing in volume until at the end of January some of the largest Canadian cities seem to be in danger of equalling their extreme peak load of February-March, 1934.

It would seem a safe premise that there are not less than 500,000 to 525,000 persons now unemployed, and in receipt of relief, making with their dependents a total of not less than 1,350,000 recipients of public unemployment relief, quite apart from the great load of dependency from all other causes. For example: Old age pensioners, of whom 90,000 received aid, mothers' allowances going to 14,000 mothers and to 40,000 children.

This number will be almost entirely unaffected by unemployment insurance provisions for at least the next two years.

To anticipate any benefits under the bill the employee must not have any further opportunity for the use of his talents, and in addition he must also be in a position to contribute to the insurance fund for the minimum period before he can take any advantage provided in the measure. The welfare bureau points out, further:

The proposed measure excludes, in its present stage, the seasonal and casual employments subject to heavy lay-offs—an estimated number of 860,000 wage-workers. In addition, however, to this group and the 1,700,000 eligible for insurance, it should be recalled that Canada has roughly 1,350,000 more persons gainfully occupied—employers, merchants, workers on their own in industry, agriculture, business and the professions, not at all contemplated as insurable. Of these, 728,000 are farmers. Thus 1,700,000 of the gainfully occupied population will be eligible for insurance, and a total of 2,260,000 not covered by any such measure.

That, Mr. Speaker, constitutes one of the chief objections to the measure. But there are many others. We are told that this bill is the keystone of the arch of the great social reform program, and that without this measure the rest must fall. This is to be the supreme measure, indicating the extent to which this government, under the leadership of the Prime Minister is prepared to go to change the conditions, to reform the conditions, in Canada and thereby curtail the present conditions of misery and poverty in the midst of plenty about which the Prime Minister spoke in his radio speeches.

We are told that this bill is based on the British bill. I say that if it is, then it is based on a bill twenty-five years old. It is a quarter of a century behind, as a matter of fact, in most of its provisions. At this point may I state, in comparison, that the bill before the house provides for nine waiting days before any unemployed benefits may be drawn by unemployed persons. The British bill requires only six waiting days. Then, the British bill supplies unemployment insurance benefits to a widely extended field of people engaged in seasonal occupation. This bill does not apply to any seasonal occupations.

The original British bill sought only twenty-six contributions from the employees, and the present British bill, in spite of extensions which have been made, seeks only thirty contributions. On the other hand the Canadian bill requires forty contributions. One would assume that having this difference, namely the British bill asking for thirty contributions and the Canadian bill for forty contributions, the benefits under the Canadian legislation would be greater and extend over a longer period. But such is not the case. Not only does the Canadian employee coming within the ambit of the bill have to make forty contributions, or ten more than are made in Great Britain, but when such person becomes unemployed he receives only seventy-eight days or thirteen weeks unemployment benefits. On the other hand, the British legislation provides for benefits for one hundred and fifty-six days. That would seem to indicate a very wide difference between the two measures.

Then there is a further point. As I pointed out in committee of the whole the British bill provides that persons who for at least two years have been in receipt of disability pensions for disablements contracted during the late war, and who by reason of such disablements fail to satisfy the statutory conditions requiring thirty contributions, need only prove payments of ten contributions. Under those circumstances they are brought within the operations of the measure. I asked this government to make a provision in the present bill whereby disabled ex-service men might be in a position to qualify with something less than the full number of contributions required from other persons. In other words, I asked the government to carry into this legislation those privileges which have already been recognized in many other fields of parliamentary legislation both here and in the provinces respecting ex-service men. The government has not seen fit to do so. Again I must say I am sorry; I wish they had come part way towards meeting us along some of these lines.

In short, the Canadian bill is limited in its application. It is so inadequate in its benefits, and so rigid in its restriction that it would be the height of absurdity to describe it as a reform measure. There is no element of reform within it. Before I have concluded my observations I believe I shall have proved my statement, and I indicate further that the bill does not provide benefits for the unemployed

equivalent to the relief which in most cases they now receive, and without any contributions.

I believe I have shown that workers employed intermittently will not benefit; disabled pensioners will not benefit, and a vast host of occupations are not even included under the operations of the act. For example, seamen, airmen, longshoremen, bankers and insurance clerks, domestic and civil servants, teachers, policemen, fishermen—

Miss MACPHAIL: Nurses.

Mr. GARLAND (Bow River): Yes, as the hon. member for Southeast Grey has suggested, nurses—all these are not included.

An unemployment insurance bill to-day does not meet the problem; it cannot even approach it. As a matter of fact an unemployment insurance bill—this present one for example—will have and can have no effect unless we rise out of this present collapse, then enter another period of employment only to collapse again. That is the only circumstance under which an unemployment insurance bill can bring any real benefit to the great masses of the workers throughout the country.

Then, there is no definite provision in the bill against sickness and invalidity. Every hon. member knows that both of these disabilities are reasons for unemployment; indeed, they are important sources of unemployment. These, under the bill, are left to the provinces. Yet, if the contention as to the validity of this measure be correct, there is no valid reason why provision should not have been made in the bill for extending unemployed benefits to those people who are unemployed as a result of invalidity or sickness. Probably more in normal than in any other times unemployment results from these two causes. As was pointed out by one of the official labour organs only recently, physical incapacity is doubly penalized, because under the bill periods of unemployment due to sickness of the employed person are not counted as part of his unemployed time. They will not be entered up as part of the forty weeks qualifying period. As I said earlier, even the Lloyd George bill of years ago went farther than this measure, did more and charged less.

Where the bill refers to an employee being discharged for "misconduct," and an employee is so discharged, he is disqualified from coming under the benefits of the bill, and I submit that in the absence of a definition, and a very rigid definition, of the term "misconduct" that provision can and will be abused by unscrupulous persons. I can imagine a bullying foreman or a ruthless employer very readily discharging a man and charging that he was guilty of "misconduct" when actually all he had been guilty of was attempting to organize the workers in that particular industry. It is not the first time that men have been fired for that, and it will not be the last time under the present system. Therefore there is in this bill itself in that phase, as well as in others, a wide field for abuse.

I am not going to deal to-day with the position in which my friends to my right find themselves. I have a good deal of sympathy for their viewpoint, but I do find it difficult to understand why, after having proved utterly and absolutely and completely to their own satisfaction that this measure is unconstitutional, that it is not within the legislative powers of this parliament to enact, they propose to support the measure. That is beyond me. But that of course is their business, and I am not quarrelling with them for their attitude because I assume that they are just as sincere as we are in the matter.

I now come to this point, Mr. Speaker. If the benefits under the bill are to be no more than the benefits now procurable as the result of a definite right on the part of the unemployed to relief, then of course this bill falls by the wayside so far as any advantage is concerned. The maximum benefits procurable under this bill for an adult employee who is the head of a family with a dependent wife and three children amount to $45.60 per month. That is the maximum that can be drawn, and that is after the employee has made forty contributions spread over a period of two years, and after he has complied in every way with the regulations.

Now I turn to the present scale of relief in Canada, the relief that is provided for the unemployed as a matter of right by the cities of Canada, with the aid of the province and of the dominion. The city of Westmount, Quebec, pays $46.29 per month for a family of five. That is more than the benefits provided under this bill. The city of Oshawa, Ontario, pays $45.48 per month; the city of Kitchener, Ontario, $49.37; Moose Jaw, Saskatchewan, $47.85; Brandon, Manitoba, $47; Calgary, Alberta, $53.70; Toronto, Ontario, $54; Winnipeg, Manitoba, $50.99; Edmonton, Alberta, $53.70; Regina, Saskatchewan, $47.50. Those are hurriedly selected. They cover the chief cities of Ontario, one city in Quebec, and the rest are in western Canada, and in all these cases the present relief allowance is greater without any contribution on the part of anybody, than the maximum benefits provided under this bill. Cannot you see the ridiculousness of proposing a measure like

this as a reform measure, as even a measure of relief? I submit to you, sir, that the effect of this measure will be to tend to reduce the amount of relief now being paid in cities to the unemployed, especially in the case of families. It will be used as a lever by which to drag down the scale of relief rather than to help it. That will probably be the chief objectionable feature of the enactment itself.

There is another matter. I have already brought it to the attention of the committee, but I must bring it to the attention of the house now on third reading in order to complete my case.

There are many industries in this country, and some of them coming under this bill, which have now reached the very bedrock limit of unemployment in the industry; in other words, they cannot continue operating with less men than they have now. The depression during the last five years has brought them to that point. In those industries the prospect of unemployment is at its minimum. I was discussing this matter some time ago in regard to one particular industry, which happens to be in the city of Toronto. At the present time its staff consists of thirty employed men. The employer in this case stated that in his opinion he did not think the normal expectancy of unemployment would be more than two at most.

Mr. MacNICOL: Would the hon. gentleman please give the name of the company?

Mr. GARLAND (Bow River): No, for obvious reasons I have been asked not to do so. The normal expectancy of unemployment in that industry is two at the most. Now I give the figures in that case, and by the way the same results will follow in many of the smaller and more stable industries, especially in the case of industries that are not particularly subject to great fluctuating periods of unemployment. In this particular case the employer's contribution for each employee will in the forty weeks amount to $10; the employees' to $10 apiece; the government's to $4 for each employee, or a total of $24. Multiply that by the number of the men, 30, and you have the sum of $720. That is the amount paid into the commission's trust fund. Now if two of the employees become unemployed, it will be two years, or at least eighteen months, before they will be eligible for the benefits. We will assume that two years from now is here, and that the two men have become unemployed. They may draw maximum benefits only for seventy-eight days, or thirteen weeks. That amounts to 13 multiplied by 6 multiplied by 2, or $156. That is the maximum they can draw, but there has been contributed $720. That leaves a surplus in the fund of $564. Now there are many industries in that position.

But that is not all. Hon. members should remember that during that seventy-eight day period when these two men were drawing relief, the other twenty-eight men and the employer and the state were continuing to make their weekly contributions so that at the end of that period of benefit these two men were now definitely out of unemployment benefits and on "relief," as it is called, of the city because they are no longer eligible to the benefits. You will find that in the meantime the sum contributed has been increased by $218 during that seventy-eight days, so that at the end of that seventy-eight day period there is in the fund as a result of that single industry's contributions a total of $782, and only $156 has been paid out. Of course the plan may be actuarially sound. I have no doubt whatever that it is after giving those figures, but it is actuarially sound in the same way as life insurance companies and other insurance companies are, and in my opinion most of the insurance game on this continent is a grievous racket at the expense of the great mass of policyholders, and some day that will be admitted by this house too. It is even being admitted to-day in places where there is perhaps not so much prejudice in the matter.

Further, Mr. Speaker, since the unemployment benefits under this bill are not as great as the scale of relief now provided in the chief cities of the country and wherever labour is organized, and since it is admitted that the scale of relief now granted is still so low that adequate cultural development is impossible under it, therefore adequate cultural development is impossible under the provisions of this insurance measure. Not long ago I quoted to this house a statement of Ramsay MacDonald's in which he pointed out that in Great Britain and throughout the world there would be millions of workers who would never be employed again, and he called them "human scrap." That is the position in which these people will be even under the operation of this act; they will still be human scrap.

There is occurring throughout this continent and in other countries a new form of sickness which is coming more and more to be recognized by medical men. Some call it "depression shock" and others have different names for it. I gave to the house when in committee a quotation from the report of one of the medical doctors on social work in England, and I was glad to find that his opinion and mine in this regard had been

corroborated by the findings of the child and family welfare body of Canada. Let me quote from a recent speech by Miss Charlotte Whitton:

In the field of child health, it is very difficult to form any accurate conclusions because undoubtedly the effects of deprivation and malnourishment are retarded some months or even years in their evidence, beyond the actual time of the occurrence of those conditions which cause them. For instance, some of the most obvious costs of the health aspects of the food blockades during the war became fully apparent only with the adolescence of the children, who as infants, and in the pre-school age, were exposed to the resultant lack of many of the essential foods.

And yet this measure provides for a benefit allowance that will not amount to much more than five cents a meal.

Canadian public health authorities appear unanimous in fearing an accumulation of the deficiency diseases, especially tuberculosis, and in fearing also that these results will only manifest themselves too late for argument, as to the need of careful health and dietary considerations in the calculation of our relief budgets. Many of the health authorities express the belief that malnutrition and similar deficiency diseases exist now and are increasing. . . . As the depression has continued, certain trends are developing that will undoubtedly prejudicially affect the health and wellbeing of the child and family. Hospitalization services on a pay or semi-pay basis are being less utilized, while free hospitalization is facing increasing demands. The same process is taking place in the use of medical and nursing services.

This next passage I direct particularly to the attention of the house with all the emphasis I can because it is an extremely serious feature:

Undoubtedly, however, the gravest effects of present conditions are found in their gnawing corrosion on the structure of home and family life. Probably never before has there been, over a short period of time, such a general lowering in the standards of living throughout the dominion. No home has been immune, and from the wealthiest to the humblest in the land there has been a forced adjustment to meet decreased income. In one, it may have been four instead of five new motor cars a year, and in another the elimination of the quart of milk a day for the children, but a shifting and adjustment have been universal, throwing hundreds of thousands of families and of children on that verge of destitution, fear and insecurity where, we must remember, a portion of our families always cling precariously in the best of times. . . . One of the subtle but quite definite costs of such conditions, especially to a democracy, seems to have been overlooked—the rebuff to courage and initiative and the stunning of independence and resourcefulness involved in a prolonged period of complete reliance on social aid, and complete submission to administrative control over the minutest details of life, during that time. "Pauperization" it has been glibly called in description of some aspects of its results; "loss of morale" in another. Devitalization would not seem too strong a term to apply to a gradual process through which nearly ten to fifteen per cent of the Canadian people receive each week from the public authorities or private charities, minute instructions as to what they are to eat, with the food prescribed in exact rations for fixed periods; just where they are to live and at what cost and under conditions in the arrangement of which they barely enter; whether they are to have wood, coal, gas or electricity; dress and undress in darkness or in light; have new or renovated clothing, and when, where and how much; go to a doctor or clinic for sickness or take some prescribed drug of general value. This entire subversion of a large part of a free and independent people, notable for their energy, courage and resourcefulness, to almost complete regimentation on a basis of mass treatment is to my mind the most serious, the most pernicious, likely the most permanent, but presently the least perceived of all the unfortunate effects of continued unemployment upon Canadian character in the future.

Some hon. members may say, "You are defeating your own case, because here you are seeking to justify an increase in benefits under an unemployment insurance scheme by discussing a condition which has arisen as the result of charity or direct relief." As a matter of fact I am using it to support my claims, because under this bill the measure of benefit will be so low that there will have to be continued the system of rigid regimentation of the unfortunate unemployed so that they may get the largest amount of sustenance possible out of the meager allowances provided them.

Before I conclude I will propose an amendment, because in my opinion no contribution should be sought from the employee until the worker in this country is receiving an average wage at least amounting to the equivalent of the health and decency budget set out by the labour bureau of Canada. That budget surely is low enough in itself, providing as it does for health and decency and not for any luxuries, and it stands at $1,339. Therefore no one earning less than $1,339 should be expected or asked to contribute to any unemployment insurance scheme, whether he is insurable or not. My reasons for that contention have already been given the house. The earnings of all wage earners in Canada are, for males, $927 and for females $560. Think of it. In 1935, in the Dominion of Canada, those are the earnings paid our workers in face of the vast wealth the country has produced and can still produce, with our tremendous resources of material, plant and equipment and our gigantic power reserves. We have the equivalent of 73,000,000 men in electrical power alone, ready to produce goods for the Canadian people; at the pulling of a

lever or the pressing of a button, this power is ready to go to work ceaselessly in the production of goods. Yet the average earnings of all men gainfully employed in Canada is only $927. A condition of that kind is a disgrace to any system and to any country. Frankly, the measure as it now stands requiring employees and employers to contribute, means simply, as I have already stated, a general decrease in the immediate volume of purchasing power, lessening to the extent that it extracts contributions, at least for the time being the amount available for the purchase of goods. It takes the funds in the case of the employee directly from the very person who will consume and needs to consume at once.

The principle of noncontributory insurance is being more widely recognized, and it is not the anomaly that some hon. gentlemen would try to make it appear; after all it depends on the extent to which the non-contributory feature is extended and how the funds are to be raised. My proposal to the government is this, that in connection with financing an unemployment insurance scheme and all the rest of this social legislation that is called reform, and which can be reform and of value only to the extent that it increases the mass purchasing power of the people, they should finance the scheme by an issue of currency directly backed by the national wealth of Canada. If they do that, they will succeed in increasing the volume of purchasing power without increasing debt or taxes and without reducing in any sphere the amount available for investment or for the consumption of goods that will be produced.

The United States have been considering this problem for some time, and it may be of interest to the house to know that unemployment insurance in that country without the requirement of any employee contribution was recommended to the president's committee on economic security by its advisory council in a report published on December 16 last. Since that time this proposal has been made part of the president's program. A joint state and federal unemployment insurance scheme without employee contribution is now, as a result of the advice of the advisory council, part of the program of the President of the United States. But I continue the report.

> The survey advocates a federal-state unemployment insurance program, with the imposition of a three per cent tax on payrolls, beginning in 1936. . . . The advisory council rejected a plan providing that employers and employees each contribute to the insurance fund, and by a nine to seven majority accepted the three per cent tax on payrolls on the ground that it would be passed on to consumers and the beneficiary would pay his share on the tax that would be attached to the article he purchases.

And so forth. The unemployed ex-service men of Canada have written to me under date of January 22 as follows:

> Dear Sir:
>
> At the regular general meeting of this association held on Thursday, January 17, I was instructed to request that when the question of unemployment insurance comes before the house, you will press for this form of insurance to be non-contributory, and that you will solicit all possible support from your colleagues.

I now turn to Great Britain. In 1932 a royal commission on unemployment insurance was appointed in Great Britain and there appeared before that commission the trades union congress general council. In this discussion many references have been made to the trades unions of Great Britain; they have been used as an excuse for certain parts of the bill and they have been used as justification for it. They cannot be used as justification for the contributory feature because the trades union congress general council said this to the royal commision:

> Unemployment is a national and international problem resulting from the industrial system under which we live. The workers are not the authors of the system but the victims of it and, unless the community so organizes its resources as to provide work for every willing worker, the unemployed, as the reserves of industry, are entitled to maintenance. There is no real difference in principle between unemployed workers who are equally available for and capable of work.

Note this.

> It has not been found possible to operate a system of unemployment benefit on an insurance basis.

That is the considered opinion of the trades union congress general council in Great Britain and they so stated it to the royal commission. Their view was:

> The cost of maintenance of the unemployed should become a direct charge on the exchequer.

Just as I am contending.

> The workers' and employers' contributions should be abolished and they should not, except as taxpayers, be burdened with the cost of unemployment.

That makes it clear that the British trades union congress stand for the noncontributory feature. I therefore move:

> That Bill No. 8 be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it by striking out the words "every employed person and" in subsection 2 of section 17 of the bill.

Hon. R. J. MANION (Minister of Railways and Canals): If I understand aright the amendment and also the speech of the hon. member, the effect of the amendment is to make the insurance noncontributory, and for that reason I rise to a point of order on two different grounds. Beauchesne's Parliamentary Rules and Forms, paragraph 813, states:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

This is not amending it in any particular; it is amending the whole principle of the bill, the principle of the bill being contributory unemployment insurance. That is the first ground on which I oppose the amendment.

Then paragraph 551 of Beauchesne states, and this is a well known rule in this house:

> It is a fundamental principle that no resolution or amendment to increase a charge upon the people can be moved with the Speaker in the chair; it must be initiated in committee by a minister acting on behalf of the crown.

If this is noncontributory insurance; in other words, if those insured do not contribute, then the government will thereby have to contribute to a greater extent than is provided under the present bill, and therefore it would be a charge upon the crown and cannot be proposed by a private member. On those two grounds I submit that the amendment is totally out of order.

Mr. GARLAND (Bow River): On the point of order, it does seem strange to me that this very amendment in these very terms was already moved by me in committee of the whole, and it was not then ruled out of order but was voted upon. The government had a majority of only five on that occasion, and I wonder whether this action is taken because they are afraid of their majority on this occasion.

Mr. MANION: The hon. gentleman should stick to the point of order.

Mr. GARLAND (Bow River): My point is that since the amendment was allowed to stand as being in order in committee of the whole, I fail to understand why it is not in order now on third reading.

Mr. MANION: It was not questioned then.

Sir GEORGE PERLEY: It seems to me that the argument of the hon. member for Bow River (Mr. Garland) is rather extraordinary. If he did move the amendment in committee and nothing was said about it, that does not make it in order according to the rules. Perhaps someone was not listening, or there was a lot of noise in the house at the time, and therefore it was not considered. I support my colleague for both of the reasons given. I claim that this amendment really negatives the whole bill. Paragraph 400 of Beauchesne's Parliamentary Rules and Forms distinctly prevents such an amendment being moved. Then in the second place, it is quite evident that the amendment involves a charge on the exchequer of the country. The hon. gentleman himself has said that the government ought to pay a larger amount and the employee should not pay anything; if that does not mean a further charge on the exchequer—

Mr. GARLAND (Bow River): No, that is not what I said.

Sir GEORGE PERLEY: I understood the hon. gentleman to say so, and in fact his amendment is such that the employee would not have to pay.

Mr. GARLAND (Bow River): That is correct, but the rest is not.

Sir GEORGE PERLEY: If the employee is not to pay then the exchequer must pay more.

Mr. GARLAND (Bow River): Not necessarily.

Some hon. MEMBERS: Order.

Sir GEORGE PERLEY: Well, the hon. gentleman has already spoken. If the employee is not to pay anything the exchequer must pay more, which makes the amendment involve a charge on the people of this country. My colleague has already mentioned one paragraph of the rules which prevents any amendment of that kind being made by a private member. Further than that, paragraph 568 says:

> The Governor General's recommendation to any resolution involving a payment out of the public treasury must be formally given by a privy councillor in his place at the very initiation of a proceeding, i.e., as soon as the motion has been proposed for the house to go into committee on the resolution.

Therefore I submit that the point taken by the Minister of Railways is correct and that this amendment is entirely out of order.

Mr. ANGUS MacINNIS (Vancouver South): I contend that the amendment is quite in order. In the first place it is not contrary to the principle of the bill. The principle of the bill, if we are to follow precedents that have arisen in this house, is that of unemployment insurance. When we were discussing the central bank bill we tried to move an amendment providing for a

publicly owned and controlled bank, and we were told by both sides that that was not a principle of the bill, that the principle of the bill was the institution of a central bank. Using the same logic the principle of this bill is unemployment insurance.

Then as to the point that it involves expenditure of public money, the proposed amendment does not say anything of the kind; it says only that as far as the employee is concerned it shall be non-contributory. Where the other contributions are to come from is no concern of the mover of the amendment—

Some hon. MEMBERS: Oh, oh.

Mr. MACINNIS: I am speaking to a point of order, that is what we are concerned with. It does not necessarily follow that there must be a contribution from the crown. As a matter of fact the contribution should come from production. Consequently we may say, as far as the mover and seconder of the proposed amendment are concerned, that our purpose is that the contributions should come from the employers, or out of industry. For these reasons I contend that the amendment is in order.

Mr. SPEAKER: I have given the matter some consideration, in anticipation of an amendment being moved, having followed the remarks of the hon. member for Bow River (Mr. Garland). To my mind there is no question whatever that the amendment is out of order. So far as concerns the first point raised by the Minister of Railways and Canals I do not think it necessary to rule on that, but the authorities are very clear, as all hon. members will agree that no private member has the right to introduce an amendment which would have the effect of augmenting taxes or charges on the people. That is clear from paragraph 551 and following paragraphs of Beauchesne's Parliamentary Rules and Forms. The matter is also quite clearly set out in a short paragraph in May's Parliamentary Procedure at page 511 where it is stated that:

> No motion can therefore be made to impose a tax, save by a minister of the crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of parliament; nor can the amount of a tax proposed on behalf of the crown be augmented, ...

It seems clear that if the benefits under the bill are to remain the same the charge upon the crown must be augmented if the amendment of the hon. member for Bow River came into effect. Therefore I rule that the amendment is out of order.

[Mr. MacInnis.]

Mr. G. D. STANLEY (East Calgary): My views are very considerably at variance with those expressed by the hon. member for Bow River (Mr. Garland). I have supported this bill and still support it because it is an insurance bill. Under it there is to be a three way contribution to a fund, and by reason of such contributions benefits are to be paid from that fund. It is an insurance proposal, presumed, as has been so frequently stated, to be on an actuarial basis; certain benefits in return for certain contributions. The hon. member for Bow River found himself in a rather peculiar position. He voted for the principle of the bill, and by doing so intimated to the house and through the house to the country that he was in favour of the insurance principle on which the bill is based, that he believed in contributions being made towards the insurance fund and under certain conditions benefits being paid therefrom. Then he found himself arguing that upon this insurance measure there should be superimposed relief measures, so that those who are not making any contributions to the fund should be taken in and granted benefits for which they had not contributed. It is I suppose distinctly popular to contend that from this or any fund contributions should be made for the benefit of those who are unemployed and on relief in our country. There is no question in the world but that measures should be provided to take care of those who require relief, who are unfortunately in a position that they cannot sustain themselves and their families. But when one endeavours to attach to an insurance bill relief measures which belong to some other phase of governmental undertakings he is doing something which would defeat the very purposes of the bill. The purpose of this bill is to provide insurance facilities whereby benefits may be extended to men and women employed in industry in this country. Hence the hon. gentleman argues himself into this position, that from the contributions which men who are employed in industry—associated with others, that is the government and the employers—make to a fund, should be taken the relief which is justly due to those who are unemployed and in distress. In other words he says that the men who are paying contributions into an insurance fund, presumed to be on an actuarial basis, should be taxed in order to relieve the treasuries of the respective authorities whose obligation it is to care for them, and the burden placed on the backs of the contributors to this insurance fund. That is a most untenable position. If there is anything that would condemn this

bill, anything that would render it absolutely futile, it would be the endeavour to place upon the backs of the men who are employed in this country the responsibility which belongs to the people as a whole.

Mr. GARLAND (Bow River): I rise to a question of privilege. The statement of the hon. member for East Calgary (Mr. Stanley), quite unwittingly I am sure, is not accurate. I did not make any such proposal. I proposed that the employed in Canada under this scheme should be relieved of any cost.

Mr. STANLEY: Perhaps the hon. gentleman will allow me to make my address. He made a good long speech.

Mr. GARLAND (Bow River): Do not make misstatements.

Mr. STANLEY: The hon. gentleman stood up in his place in this house and registered his vote on the second reading of the bill, accepting the principle of the bill. By doing so he pledged himself before this house and the people of the country to support the principle of the bill, and the insurance principle was the principle for which he was voting. But no sooner had he done that than he proceeded to introduce what he considered was a vote-catching proposition. There is no question in the world about that.

Mr. GARLAND (Bow River): That is pretty cheap. I would expect that from the hon. gentleman.

Mr. STANLEY: My hon. friend has argued himself into that position; not only that, he has voted himself into that position; he has placed himself on record in this house as taking that position, and that is the position in which he stands before the unemployed workmen of this country to-day. I do not think it unjust to point that out. When the hon. gentleman found himself in that most paradoxical position he certainly had to square himself, so he proceeded to try to eliminate the contributions from the men; he proceeded to say that this bill should not be supported, that it should not become law because it is not as good as the British bill, because it is twenty-five years behind the British act. It is true that when the British workman becomes unemployed he is given unemployment insurance. When he becomes ill he receives sickness insurance. When he reaches a certain age he is given old age insurance, and when he dies his widow receives widow's insurance. That is quite correct, and I wish that situation obtained in Canada. But the fact that Great Britain is ahead of us in connection with social insurance and that Great Britain has gone forward in regard to measures of this kind more than Canada has surely is not a reasonable argument why this parliament should not proceed to enact at least the first stage, which is this unemployment insurance measure.

Is there any argument against it? The hon. gentleman very well might have said, "Let us start with this and as rapidly as possible bring in the other measures." He might even have argued that at this session of parliament we should proceed to bring in the legislation which would grant the benefits extended to the workmen in Great Britain. That would have been an argument, but the fact is that we are considering one measure, an unemployment insurance measure, and by our votes in this house we must determine whether we propose to take this first step and provide the unemployment benefits which are contained in this bill. For the life of me I cannot see the force of the argument that because Great Britain gives something more therefore we should not give anything at all.

The hon. gentleman has brought in the question of relief measures. Personally I cannot see that this question arises in connection with this bill. The hon. gentleman also said that this was the sum and substance of the reform program, but he knew very well that he was making an exaggeration that was hardly fair. This measure speaks for itself; it is an unemployment insurance measure based on certain very definite principles which are thoroughly understood by all the workmen of this country. They know exactly what it means; it is a contributory insurance measure against unemployment. The hon. gentleman went a step further and quoted the amount of relief given in various municipalities in Canada, intimating that one city pays so much, another city so much more and so on. That is not the question at all. The hon. gentleman knows that this measure provides certain benefits in return for certain contributions. If he had wished to do so he might very well have argued that the contributors to this fund should be asked to contribute more than twenty-one cents or twenty-five cents a week, and that because of the larger contribution they should receive larger benefits. That argument would have been quite sound from that standpoint but taking this as an insurance measure the principle of the bill is that for this contribution, which is to accumulate in a fund, certain benefits will be extended on an actuarial basis. In connection with these

benefits the use of the words "relief measure" I think is unfair. This is not a relief measure at all; this is an insurance measure which extends benefits to workmen in return for contributions they make together with the employer and the state. Whether those benefits equal the amount of relief provided in the city of Ottawa or the city of Calgary is entirely beside the question. That is not the point at all. If Calgary or Ottawa see fit to contribute to the relief of citizens who require relief, that is their own business and that is another consideration entirely. When a workman, by reason of the contributions he makes, is entitled under his contract to certain benefits the question of whether he is wealthy, whether he has saved his money or whether he has spent it does not enter into the situation at all. He has a contract, signed, sealed and delivered, under which he can claim certain benefits definitely stipulated in the contract.

That is a very different thing from a consideration of the relief which is extended to a family who happen to be in dire need and who, as a result, receive certain assistance from the municipality in which they live. A man works week in and week out, month in and month out, and by reason of his contributions he is entitled to certain benefits when he becomes unemployed. That is very plain, and I do not see how the word relief can be mixed up with this question at all. This is an actuarial measure which does not undertake to give a dollar for fifty cents. No insurance measure can do that. The hon. gentleman spoke about various life insurance companies in this country exploiting the public. Those were not the words used, but in substance I believe I have indicated the correct meaning. I know nothing about that particular phase of the matter, nor does it enter into the present situation. This is an insurance measure by which the government of the state handles the finances at a minimum of expense, and pays out on an actuarial basis benefits to those who are entitled under the contract.

Then the hon. member introduced the matter of relief, and spoke about the relief extended under the insurance legislation of Great Britain. If one had the time to go back over the history of that legislation he would have these general conclusions borne out: First, that the 1911 measure was actuarially sound, but that in 1920 upon the return of the soldiers there was imposed upon the measure the question of relief. People who had not made contributions and were not contributors under the act were given relief from the fund. That was a violation of the principle of unemployment insurance. When we read the 1927 legislation we find that much of that difficulty was removed, and if I understand the 1934 measure it would seem to indicate that they have gone back to a straight insurance proposition.

The fact of the matter is that the insurance measure in Great Britain was almost wrecked because they violated the very insurance principles behind the 1911 measure. Had not the treasury of Great Britain come to the relief of the insurance fund to the extent of hundreds of millions of pounds there would have been no unemployment insurance for the workmen of that country. One of the important principles in any unemployment insurance scheme is that there shall be contributions by all concerned, not simply for the purpose of obtaining the money but for the moral support and sympathetic assistance such action gives to the administration of the measure. One of the greatest dangers facing any unemployment insurance scheme in Canada would be the dissemination of an idea that down here in Ottawa there is a bottomless purse, and that all one has to do is to dig in and get his money. That view would wreck the insurance undertaking. If the government of this or any other day conceives the idea that it can pay out under an unemployment insurance scheme moneys away beyond the contributions which should be made, then at that moment it is undertaking to wreck the whole insurance arrangement. There must be behind any successful scheme the moral support to which I have referred. I would emphasize the necessity of undertaking to impress upon the minds of our public men, our representatives in parliament, employers in industry, employees in industry, organized labour unions and others, the fact that this is an insurance measure, that it should be continued on an insurance basis, and that benefits should be paid to the unemployed under the contract contained in the act.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the hon. member for East Calgary (Mr. Stanley) has attempted to draw a sharp distinction between an unemployment measure and a relief measure. I quite concede that theoretically that may be done, but I should like to impress upon the hon. member and other hon. members that in practice we have a right to judge any particular measure in the light of the unemployment situation now existing. The hon. member for East Calgary said: "If Calgary chooses to make a relief contribution to the unemployed, that is their business," and he says that is a matter distinct and different

from any measure which the dominion government may pass. I wonder if it is necessary once more to remind the hon. member what his leader in Calgary on June 12, 1930, was reported as saying:

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

Later on he said:

> After all, no man who has a heart can see the mothers and children without clothes or food without emotion, however hardhearted he may be. What are we going to do about it? I say to you my fellow citizens, my fellow Canadians, speaking to the larger audience, I am convinced this problem has now ceased to be local and provincial, and has become national in its importance.

Then later:

> 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 condition in order that next winter Canadian people may not be facing the crisis that is upon us without having a remedy at hand.

That was in 1930. It is now 1935, and we are quite justified in using the Prime Minister's own words, and asking "What are we going to do about it?" Again and again this session hon. members in this corner of the chamber have urged the government to bring down relief legislation. That has not been done nor is there any indication that a relief measure will be brought down.

Under the circumstances I say the hon. member for Bow River is quite right when he suggests that the present measure does not begin to meet the unemployment problem. I shall refer to the figures he quoted from the statement issued by the board of governors of the Canadian council of child and family welfare. It states:

> Thus 1,700,000 of the gainfully occupied population will be eligible for insurance, and a total of 2,260,000 not covered by any such measure.

It seems to me that is a very serious situation. The hon. member for East Calgary states that the bill undertakes to provide for periods of unemployment of men and women employed in industry. Yes, it does provide for some 1,700,000, but it does not provide for 2,260,000. Surely, that is a serious situation. Referring to the figures in the pamphlet already quoted by the hon. member for Bow River, I find the following:

> It would seem a safe premise that there are not less than 500,000 to 525,000 persons now unemployed, and in receipt of relief, making with their dependents, a total of not less than 1,350,000 recipients of public unemployment relief, quite apart from the great load of dependency from all other sources.

That is the situation. The British bill is supplemented by an assistance measure; if this bill was supplemented by an assistance measure some of us would feel a great deal better about it, but no assistance measure such as that now in operation in Great Britain is being enacted, and so I think we have a right in discussing this particular measure to ask how far it covers the case.

People must be kept alive. I think that might be taken almost as axiomatic. We cannot allow people simply to starve, although some of them are coming perilously near that condition. I noticed in the Montreal Daily Star of February 26 this news item:

> Sickness and unemployment have caused nine suicides in nine days in greater Montreal. This was shown this morning in morgue records.

In the next issue of the Montreal Star, that of February 27, there is reported the tenth suicide that of a man who had been unemployed for six months and was in ill health. The coroner rendered the verdict of "suicide while in a state of mental depression." Such tragedies occur among those who are not able to stand the strain, and are some little indication of the suffering and hardship and despair which are being experienced by great masses of our people to-day.

What are we going to do about it? That is what the Prime Minister asked five years ago. He replied that he proposed that parliament would bring in a definite measure, but parliament has not done that during the past five years, and this year again we have no definite measure at all.

My hon. friend from Bow River (Mr. Garland) by his amendment would suggest that we extend this measure in some way until it becomes equal to the emergency, and that could be done only by what has been called noncontributory unemployment insurance. As I said on the second reading of the bill, I frankly recognize that that phrase, "noncontributory insurance" may be somewhat of a misnomer, although some large corporations who do not insure in the regular fire insurance companies lay aside a certain sum to provide against fire, and they frequently speak of that provision as the carrying of their own "insurance." So we have some little precedent even for that term. But I do not care what term you use. The principle is that in some way or other these unemployed people should be systematically provided for. It is obvious that that cannot be done through an actuarial scheme under which the employee himself makes a contribution. I think my hon. friend from Bow River was right when he pointed out that wages are so very low to-day that

this scheme involves a hardship even on those who are at present employed. He was quite right when he pointed out that this measure meets the needs of only a small group of workers, and meets them in only a very, very inadequate degree.

But what about those whose needs are not met at all? That is the important question before us to-day. Personally I regret that the rules of the house do not permit our having a vote on the very important question whether we should make some provision along the line of noncontributory unemployment insurance.

May I point out the enormous losses that are now being incurred through unemployment? Again and again in this house we have had members point out the heavy cost of the strikes that have occurred from time to time and which have to a certain extent impeded industry, but, according to the census figures given by the Prime Minister on Februay 18, strikes account for only ·04 per cent of lost time, illness for 5·74 per cent, temporary lay-offs for 12·56 per cent, and no jobs for 80·26 per cent.

Mr. REID: Is that in this country?

Mr. WOODSWORTH: Yes, I was quoting from the census figures as given in this house by the Prime Minister on February 18. Basing an estimate on the average income, and on the census figures as contained in the Canada Year Book at page 779, there is an income loss by the wage earners through having no jobs and through temporary lay-offs amounting to nearly $400,000,000 a year. That is an astonishing situation—$400,000,000 a year actually lost through unemployment and temporary lay-offs. I am not so sure that the hon. member for Bow River might not very well have argued that if we could save that $400,000,000 a year we would not need very much in the way of unemployment insurance, and if there was an occasional unemployed man he could very easily be taken care of. The problem is not simply that of taking care of the lost time of a portion of our population. It is a bigger problem than that. It is taking care of the needs of the people during a period of extreme depression when very large numbers are out of work. That, it seems to me, is the responsibility of the state.

I shall vote for this bill, as I did on the second reading, because it seems to me that on balance it is to the good. In so far as it may help a small portion of our people in a very inadequate way, it is to the good, and I suppose to that extent one is justified in voting for it. Further than that, I hope it is, as the hon. member for East Calgary indicates, a first step. It is a certain recognition of responsibility on the part of the government to provide for unemployment. As such I welcome it and I will vote for the bill also because of that consideration, but I want it very clearly understood that those of us who do vote for the bill for these reasons do not believe that it is at all adequate to meet the very pressing needs of our people to-day.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, hon. members in the far corner of the house have to-day, as they did when the bill was before the house recently, made many statements that should be set right before the question is put. I want to refer for a moment to the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) who spoke of the unemployed who are not covered by this bill. I have in mind, Mr. Speaker, what the Prime Minister (Mr. Bennett) said when he was speaking on this bill. On being asked whether this bill would cover those who are not working, and who therefore would not come under an unemployment insurance measure, the Prime Minister said, if my memory serves me aright, that he had in view a measure to alleviate that situation, and in view of that statement I cannot understand why the two members who have spoken from the far corner of the house to-day continue to refer to those who will not be covered by this bill. Representing a large industrial riding, and as one who for a long time has been associated with industry and with many thousands of workers, I believe I can speak for the average worker as much as the hon. member for Bow River (Mr. Garland), who I understand represents a purely agricultural riding. My life has been spent among many thousands of workers. What the hon. member knows about the problems of the worker I do not know; perhaps he knows a great deal but at any rate I represent an industrial riding and he does not. He says that the bill can have no effect at present. Yesterday I remained in Toronto to visit industrial institutions, and I visited five large concerns, primarily to discuss with them the effect of the eight hour day bill; but in the course of my remarks in that connection I discussed also the problem of unemployment insurance. Let me tell the hon. member for Bow River and the hon. member for Winnipeg North Centre that they are not speaking for the average worker employed in industry when they denounce the present unemployment insurance bill.

Mr. WOODSWORTH: The hon. member will remember I said I was going to vote in favour of it.

Mr. MacNICOL: I am glad to hear the hon. gentleman say that. I can assure the house that the average worker in industry sincerely hopes that this bill will be enacted as soon as possible, so that a year hence, if he is unfortunate enough to be thrown out of work, he will benefit. I believe that is the attitude of the large majority of them.

The hon. member for Bow River referred to the police, and to teachers and ministers. Well, the position of the policeman and of the teacher is entirely different from the position of the man engaged in industry. I know that policemen have been ill for six months in the city of Toronto and have received pay from the treasury, and I think they should receive it after having served on the force a certain length of time. The same applies to school teachers, and I do not believe that the average clergyman is not taken care of by his congregation if he is ill for a time. But the position of the worker in industry is altogether different. When he is laid off his pay stops.

The hon. member for Bow River used almost every adjective in the dictionary in denouncing this legislation; he used the words ridiculous, pernicious, weak, ineffective, hopeless, ruthless. If he had had the dictionary before him he might have drawn a few more adjectives from it. He tried to denounce the bill by saying that the man on relief receives more than he would under the unemployment insurance provisions. But there is a difference. The man on relief does not receive cash; he receives vouchers for supplies—at any rate that is the way it is in Toronto—for food and clothing and perhaps an allowance for rent. Under the unemployment insurance measure, on the other hand, he will receive cash.

I dislike the hon. gentleman's denunciation of manufacturers, whom he describes as ruthless. I know a great many manufacturers and I can assure you that the very great majority of them are right-thinking, sympathetic men who do not by any means come within the category of the hon. gentleman's denunciation. I repeat, I dislike the hon. gentleman's almost constant hostility to employers of labour. Those who employ large numbers of men deserve support and not constant denunciation; I do not understand why anyone should call them ruthless, and one name after another.

I understood the hon. gentleman to say that no unemployment insurance act is solvent. He is entirely wrong there. The British act, now operating under the amendments made in 1933, is solvent as proved by the fact that it is returning to the British government twelve and a half millions a year to pay off the loan which the British treasury advanced to take care of what was commonly called the dole; and it is expected that within forty years the whole of the five hundred millions or more will have been paid.

The hon. gentleman also tried to compare the British act, with all its various amendments, to this legislation, but he does not appreciate the fact that the British act of 1911 is by no means the same act as the British act as it is in force to-day, because it has been subject to many minor and major amendments. My hon. friend's comparison in that respect is therefore not fair. I would point out to him that the Canadian bill compares very favourably with the compulsory contributory acts which are in operation in the eight countries that have passed such legislation. Only two nations, Bulgaria and Italy, have a lower commencing age limit than is proposed in the Canadian bill; in these two countries the commencing age is fifteen years whereas in Canada it is sixteen. But several other countries that have adopted unemployment insurance legislation have fixed the limit at a higher age.

The hon. member also referred to the conditions of benefit. He said that the Canadian employee has to make forty payments in two years. Well, in Bulgaria and Germany the worker has to make fifty-two payments in two years, so that the Canadian bill is better than either of those so far as that is concerned, and the unemployment insurance act in Germany is generally conceded to be a fairly substantial and satisfactory piece of legislation. He also referred to the period of waiting in Canada, which is nine days. Well, in Poland it is ten days; in Germany, fourteen; in Queensland, fourteen; in the State of Wisconsin, fourteen; under the Nema, electrical interests, plan it is fourteen; and under the Rochester plan, both operating in the United States, it is also fourteen days. So that the hon. gentleman has not been fair to the Canadian people in making that comparison.

My hon. friend also referred to the amount of money to be received by the unemployed worker with a wife and three children, but I would point out to him that what the worker in Canada will receive is greater than the amount paid in any other country apart from in the United States under the Nema and

Rochester plans. In Canada the man with a wife and three children will receive $11.40 per week whereas in Great Britain the unemployed worker in the same category receives $7.70. The Canadian bill in this regard is therefore better than other unemployment insurance acts.

I wonder whether the hon. member for Bow River would rather have the system prevailing in countries which do not have compulsory contributory acts. The eight countries that do not have compulsory contributory unemployment insurance, but have voluntary acts, are Spain, France, Czechoslovakia, Belgium, Holland, Norway, Finland and Denmark. In each of those eight countries the manufacturers do not make any contributions; all the contributions are made by the government and by the employees. Personally I am not in favour of a measure of that kind; I am in favour of a tripartite act under which the government, the workers and the company all contribute.

After listening to the hon. member for Bow River I would imagine that he is more inclined to the proposals made by a certain communistic organization that held a meeting somewhere in West York, Long Branch if I remember correctly or one of the towns in that vicinity. They proposed, first, that the act should be non-contributory so far as the workers were concerned; second, that the government should have no control over the act, and, third, that all of the direction of the accumulated surpluses should be under the control of the workers' organizations. They proposed that the payments should be $10 a week for the husband and $2 a week for each of his dependents. Lastly, they proposed that those payments should commence at once and should continue indefinitely until the worker was offered a job that would be suitable to him. An act of that nature would correspond perhaps with what the hon. member for Bow River likely wishes, but such a plan is wholly unsound and thus would be of no benefit to the workers.

In conclusion, may I say that I saw about a thousand of the workers yesterday. All factories are not running to the low capacity that the hon. member believes. I visited one factory that has 550 men and women working in it; they are working full time and are happy. I visited another with 250 employees in it, and so on, and in the five factories I visited I saw more than 1,000 employees. Men and women workers therein want this measure passed. It is an insurance act; it is not a relief act. They want to commence their contributions to the fund, looking forward to the time when they may unfortunately be unemployed, so that at that time they may at the earliest possible moment receive the benefits that will accrue under this legislation.

The house divided on the main motion (Sir George Perley) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Arsenault
Arthurs
Baker
Barber
Baribeau
Barrette
Beaubien
Belec
Bertrand
Beynon
Blair
Bothwell
Boucher
Boulanger
Bourgeois
Boyes
Bury
Cahan
Campbell
Carmichael
Casgrain
Charters
Chevrier
Church
Cotnam
Davies
Desrochers
Dickie
Dorion
Dupuis
Edwards
Elliott
Embury
Esling
Euler
Fontaine
Fraser (Cariboo)
Gagnon
Gardiner
Garland (Carleton)
Gershaw
Gobeil
Goulet
Hackett
Hanbury
Hanson (Skeena)
Hanson (York-Sunbury)
Harris
Hay
Howden
Hurtubise
Irvine
Jacobs
Jean
Laurin
Loucks
Macdonald (Kings)
MacInnis
MacMillan (Mackenzie)
MacMillan (Saskatoon)
MacNicol
Macphail (Miss)
McDade
McGregor
McLure
Manion
Mills
Morand
Mullins
Mulock
Myers
Neill
Parent
Peck
Perras
Pickel
Plunkett
Porteous
Price
Quinn
Reid
Rennie
Rhéaume
Rinfret
Roberge
Robinson
Ross
Ryerson
Sanderson
Senn
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smoke
Speakman
Spencer
Spotton
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Swanston
Taylor
Thompson (Simcoe East)
Thompson (Lanark)
Totzke
Vallance
Veniot
Verville
Weese
Weir (Macdonald)
White (London)
White (Mount Royal)
Wilson
Woodsworth—123.

NAYS

Messrs:

Bourassa Pouliot—3.
Garland (Bow River)

Mr. GOTT: I was paired with the hon. member for Kent, Ont. (Mr. Rutherford). Had I voted, I would have voted for the motion.

Mr. WEIR (Melfort): I was paired with the hon. member for Melville (Mr. Motherwell). Had I voted, I would have voted for the motion.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted, I would have voted for the motion.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted for the motion.

Mr. SPENCE: I was paired with the hon. member for Northumberland, Ont. (Mr. Fraser). Had I voted, I would have voted for the motion.

Mr. TUMMON: I was paired with the hon. member for Hochelaga (Mr. St-Père). Had I voted, I would have voted for the motion.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. Mackenzie). Had I voted, I would have voted for the motion.

Mr. PERLEY (Qu'Appelle): I was paired with the hon. member for Vancouver North (Mr. Munn). Had I voted, I would have voted for the motion.

Mr. MacMILLAN (Mackenzie): I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted I would have voted for the motion.

Sir GEORGE PERLEY: It is hardly necessary for me to say that if I had not been paired with the hon. member for Bonaventure (Mr. Marcil) I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted for the motion.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted, I would have voted for the motion.

Mr. WILLIS: I was paired with the hon. member for Lisgar (Mr. Brown). Had I voted, I would have voted for the motion.

Mr. McPHEE: I was paired with the hon. member for Regina (Mr. Turnbull). Had I voted, I would have voted for the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted for the motion.

Mr. MACKENZIE KING: I was paired with the right hon. the Prime Minister. Had I voted, I should on this occasion, have voted with the Prime Minister, namely, for the motion.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the motion.

Mr. SEGUIN (translation): I was paired with the hon. Postmaster General (Mr. Sauvé). Had I voted, I would have voted for the third reading of the bill.

Mr. DESLAURIERS (translation): I was paired with the hon. member for Shefford (Mr. Tétreault). Had I voted, I would have voted for the third reading of the bill.

Mr. FAFARD (translation): I was paired with the hon. member for Lévis (Mr. Fortin). Had I voted, I would have voted for the third reading of the bill.

Mr. LACROIX (translation): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted, I would have voted for the third reading of the bill.

Mr. GIROUARD (translation): I was paired with the hon. member for Richmond-Wolfe (Mr. Laflèche). Had I voted, I would have voted for the third reading of the bill.

Mr. BRADETTE (translation): I was paired with the hon. member for Queens-Lunenburg (Mr. Ernst). Had I voted, I would have voted for the third reading of the bill.

Mr. DUMAINE (translation): I was paired with the hon. member for Lac St-Jean (Mr. Duguay). Had I voted, I would have voted for the third reading of the bill.

Mr. DUPRE (translation): I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted for the third reading of the bill.

Motion agreed to and bill read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 28, for the relief of Mary Wynifred Bayford Bennett.—Mr. Jacobs.

Bill No. 29, for the relief of Lillian Gurden McIntyre.—Mr. White (Mount Royal).

Bill No. 30, for the relief of Minnie Elizabeth Lyons Dafoe.—Mr. Jacobs.

Bill No. 31, for the relief of Trevor Eardley-Wilmot.—Mr. Bury (for Mr. Bell, St. Antoine).

MEAT AND CANNED FOODS ACT

TARIFF OF FEES FOR INSPECTION OF CANNED FISH AND SHELL FISH

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved the second reading of Bill No. 25, to amend the Meat and Canned Foods Act.

Mr. NEILL Explain.

Mr. STIRLING: Mr. Speaker, the purpose of this amending bill is to make quite sure that power does exist under the statute to charge fees for inspection. There is no doubt that under section 18 of the Meat and Canned Foods Act fish and shellfish packed in cans shall be inspected. There is no doubt that under section 26 of the regulations under this act provision is made for that inspection, and there is no doubt that under section 20 of the regulations a fee is prescribed, but there is doubt as to whether there is power in the act to collect that fee. Therefore the purpose of this amending bill is to make sure that the measure contains a specific statutory provision, and that is its only purpose.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, when the resolution preceding this bill was in committee, at page 1438 of Hansard the minister was kind enough to indicate his willingness to send it to the marine and fisheries committee. The right hon. gentleman who was leading the government at the time, however, suggested that there was no reason for doing so, as it was merely a formal matter, but I pointed out that it goes further than that. The explanatory note in the bill states:

> Section 20 of these regulations provides for a fee for inspection at the rate of one cent per case. The fee is a reasonable one, and at present covers only the cost of inspection.

One reason I should have liked to see the bill go to the marine and fisheries committee is that I challenge both those statements. I say the fee is not reasonable and that it should not be imposed at all. The fee is high, and is not appropriate. Perhaps I am repeating something I have said previously, but the point is this. I cannot find any other raw product or semi-manufactured product in any other part of Canada in connection with which the person who produces the article has to pay a high fee for its inspection. I think an appropriate parallel would be that of lobsters. If the minister is prepared to show that the lobster people in Nova Scotia and New Brunswick pay a high fee for the inspection of their lobsters it might be a parallel case, but that is not so. The only inspection that takes place in that connection is the inspection of the canneries, which is carried on by officials paid by the government, so the procedure here is entirely different.

There are three main objectionable features to this inspection fee. In the first place the canneries themselves appoint the inspectors. That statement may be challenged; technically they do not appoint them but practically they do, because they recommend who shall be appointed. Is that not much the same thing? So we have the extraordinary situation of the government deciding that a certain product shall be inspected, in order to encourage its marketing and sale. I quite admit that this is necessary, but then they say to the people who put up that product, "You name somebody to inspect it and we will appoint them." This method is unworkable, as I predicted it would be, for a dozen different reasons. The next feature is that the cannery men have to pay for this inspection. Why? Do the people whose cheese, butter or meat is inspected have to pay a special fee? No, it comes out of the consolidated revenue fund, so why should the cannery men be mulcted to this extent? There is a further considerable tax placed upon them in this way; quite a large quantity of their tinned goods must be opened and destroyed, and that is quite an appreciable addition to the cost of packing. Under the Meat and Canned Foods Act, in connection with other canned foods such as vegetables it is the duty of the inspector to prowl around the cannery to see that sanitary conditions are all right, that the articles put up, vegetables for instance, are fresh and sound, to see that any colouring matter used is correct chemically and so on. Then in his discretion the inspector may open certain tins, but the suggestion of the act is that most of the inspection takes place in connection with the operation of the cannery.

That is not so in regard to salmon canning. The regulations are very strict; they say that out of fifty cases the inspector must take so many, I think twelve. Out of 101 cases he must take eighteen, from 501 to 1,000 cases

he must take twenty-four, and so on. They must be taken out of that particular lot offered for inspection, and if the cannery happens to be doing business in a small way, not selling 50,000 cases at a time but drawing out only perhaps 100 cases, the cannery must pay dearly, because the expense is greater in proportion. One tin is taken out of each of these cases and opened, and of course the contents are a total loss. In a cannery putting up 100,000 cases the loss, according to whether he took it out in large or small lots, would run from $6,000 down to $1,100. Then, he has to pay a cent a case, and on a pack of 100,000 cases this item alone amounts to $1,000. I submit that it is an improper tax; it is not a fee. I say it is a heavy tax.

Then further, the statement is made that the fee is reasonable; I say the fee is not reasonable. I figured it out on the amount of salmon canned in British Columbia. Out there five inspectors are appointed, but only three do the work. Those three have power if necessary to call in the other two. They are paid by the case, however, and we may be sure there would not be much danger of the other two men being called in. It is only natural, human nature being what it is, to keep as much of the money in one's own hands as possible. So hon. members will understand that the fees are divided among three men, and in that way they receive sums much greater than those which would be appropriate or even necessary. For much smaller sums we could get men to devote their whole time to the work. The inspectors I have mentioned do not guarantee to spend their whole time or even a considerable portion of it; they simply agree to do the inspecting. In addition they carry on lucrative businesses. I may add there is even the suggestion that they are interested in competitive business. For the moment however we shall let that matter pass. At any rate they are acting as brokers, and are being paid on the basis of so much a case, with the result that their remuneration comes to an amount much greater than is necessary, and much greater than need be paid.

I feel this matter might be more easily debated in committee, upon which occasion the arguments I have advanced might be answered. I point particularly however to the lobster industry and to the industry connected with dry salt herring, and the inspections in connection therewith. Have the people in those industries had to pay for that inspection? No, the government inspector does that work. Then, why should the canneries, which for various reasons seem to be running in hard luck, be singled out to be mulcted first by having an unusually large number of their tins destroyed and then by having to pay inspection fees? I believe they will be quite willing to stand the loss of tins, and possibly it would be proper to ask them to do so, but I do not know why they should have to pay this inspection fee, one which is not paid in any other parallel industry in Canada.

I suggest the minister should consider the arguments I have advanced. They may be combatable—I do not know—but so far I have not heard any answer. I do suggest however that we would do well to allow the matter to go to the marine and fisheries committee.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, before the minister closes the debate may I say that I cannot understand why the fisheries must be subject to all sorts of restrictions, taxes and fees. It seems to me that the officials of the department in the Hunter building must sit up nights trying to find ways and means to discourage the fishermen, the packers and the canners from carrying on their legitimate occupation. Why should there be any fees in connection with canned fish and shellfish any more than with canned tomatoes or canned peaches? Why should the department ask the house to place a fee on canned fish and shellfish? How are they going to make their decisions so far as shellfish are concerned?—because that would mean fish on the shell, not in cans. How could an inspector tell anything about them? Could the minister explain that? I am afraid he is like other ministers who have preceded him; they do not know what it is all about. It is about time we had a shake-up in the fisheries department; that department should not continue to discourage this great industry, one more capable of development than any other industry in Canada. The officials of the department are trying to place all kinds of restrictions and regulations in the way, and the result is that people get tired of it all and will not invest their money in the industry. I say to the minister that there is only one thing to do with Bill No. 26, and that is not to proceed with it, because it is not in the interests of the fisheries. Why should there be any fee on canned fish? It is all right to have officials going around and inspecting them, but even then it is impossible to carry on a proper inspection. I don't object to the fishermen having to take out licences, but I do object to them having to pay a licence fee.

Seven or eight years ago we endeavoured to establish an inspection of pickled fish, and with what result? Inside of two years on the advice of officials in the department the inspectors were recalled. Consequently at the present time we have no real inspection. We have a man who inspects the barrels and who also tries to inspect pickled mackerel and pickled herring, but he does not know what it is all about. If the minister would leave this matter for to-night and get some information from his officials he would learn that in the whole province of Nova Scotia he has only four inspectors to inspect the pickled mackerel and pickled herring. It is all an impossibility, a camouflage, nonsense, foolishness. After all is said and done, if a man who is in the fish business, putting up canned salmon, canned clams or canned anything else, and wishes to ship his product to England or somewhere else, in spite of any inspection the department may make he has to stand behind those fish. All the inspection made by government officials does not mean anything. I have been all through this game, let me tell the minister. For instance, last year I bought a large quantity of pickled fish. The inspector came down and looked over one barrel in the hundred. I inspected more than that myself, because I was buying them and paying for them. Those fish were shipped to the West Indies, but the merchant down there would not take delivery because he said there was something wrong with them. Who paid the bill? Did I come back to the Minister of Fisheries and say, "My customer in the West Indies claims $500 on the shipment"? Did I ask the government to pay anything because a government inspector presumably inspected them? No, I had to stand behind that shipment. I say to the minister that this is all nonsense and camouflage, and that it cannot be done. For heaven's sake let us have people in the department with some business ability, and do not let us continue this camouflage, and this business of trying to collect fees for the inspection of fish which the department cannot inspect.

Mr. JACOBS: It looks fishy to me.

Mr. STIRLING: I am surprised to hear any hon. member advance the view that an inspection of articles of trade should not be undertaken.

Mr. DUFF: I did not say that. I said that the man who bought fish should be the man to inspect them, not some official appointed either for political or for other purposes who would not know whether a fish was good or bad.

Mr. STIRLING: I repeat that in the early part of his remarks the hon. member said that in any case the inspection was bad—

Mr. DUFF: No. I said it was inadequate.

Mr. STIRLING: —and should not be undertaken by the department. The inspection to which the hon. member for Comox-Alberni has referred is one which has been discussed and considered by the trade concerned for a good many years. Various methods of inspection have been attempted; some have been discarded, and others to which reference has been made have for the last few years been carried on, as I maintain, successfully. There is a difference of opinion on the subject; there is a difference of opinion on most of these subjects, and I quite agree with the hon. member for Comox-Alberni (Mr. Neill) that possibly the way to thresh it out and give everybody an opportunity of being heard is for the bill to go to the fisheries committee. I have no objection to that. Everybody will have an opportunity to ventilate his views there, even my hon. friend who does not agree with inspection at all, and after the second reading I shall be glad so to move.

Motion agreed to and bill read the second time.

Mr. STIRLING moved that the bill be referred to the committee on marine and fisheries.

Motion agreed to.

FISHERIES ACT, 1932

POWER TO PRESCRIBE FEES FOR FISHERY LICENCES

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved the second reading of Bill No. 26, to amend the Fisheries Act, 1932.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Morand in the chair.

On section 1—Power to prescribe fees for fishery licences.

Mr. DUFF: Will the minister explain why there should be licence fees? Why should anybody have to pay to catch fish? Is it not bad enough to have to go out in the storms, wind and fog and everything else without having to pay a licence fee in addition before one can catch fish? What is the idea?

Mr. STIRLING: Mr. Chairman, fish have been caught under licence for a very great number of years, and the object of this measure is merely to make sure that a fee can be charged as it has been collected all these years under the Fisheries Act. The question arose and the Department of Justice was asked to rule on whether the wording of the act as it then was covered the case of collecting fees. It was thought wise to put it definitely in so many words into the Fisheries Act, and that is now being done in the proposed amendment.

Mr. DUFF: On what particular fisheries will this licence fee be collected?

Mr. JACOBS: Whales.

Mr. DUFF: Suckers perhaps.

Mr. STIRLING: There is a very long list in the report of the Fisheries department. The licences issued are there explained. In the province of Quebec there are 962 licences; in Prince Edward Island, 3,318; in Nova Scotia, district No. 1, 3,918, district No. 2, 6,243, and district No. 3, 4,542; New Brunswick, district No. 1, 1,195, district No. 2, 10,689, district No. 3, 717; Hudson bay and James bay, 5; British Columbia, 15,457. They cover a very great variety of fishing including the small dragger licence, special angling permits, abalone fishery licences, and so on. The fishing is conducted, regulated and supervised under these licences by the department.

Mr. DUFF: Do I understand that these licences are for inland fisheries, for trout fishing and the like? They are not for deep sea fishing?

Mr. STIRLING: Yes, they cover deep sea fishing. Shall I read the licences for No. 1 district Nova Scotia? Would that assist the hon. member?

Mr. DUFF: I do not know.

Mr. STIRLING: They include lobster fishing licences, permits to can lobster, oyster fishing licences, certificates under sections 53-55, trap net fishing licences, salmon drift net licences, salmon trap net, pound net or weir licences, special angling permits, set salmon gill net licences, gaspereau weir licences, smelt bag net licences, smelt gill net licences.

Mr. DUFF: Does the minister mean to tell me that for these licences the fishermen have to pay a fee?

Mr. STIRLING: They pay fees. They are multifarious in number. I have not a list of them here, but they run from 25 cents for an oyster licence to $20 for a licence for purse seine fishing.

Mr. DUFF: I do not think it is fair or right that a lobster fisherman or any fisherman should have to pay a licence fee. I do not object to their having to take out a licence so that the department can have a record of those fishing and the quantity of fish caught, but I do not think it is right or fair that a fisherman should have to pay a licence fee any more than the man who grows cabbages or cuts down trees in the woods should have to pay a licence fee. Why should the men who go out on the Atlantic or on the Pacific or on the great lakes and risk their lives, their boats and their gear have to pay a licence fee to the Fisheries department? I do not object to their having to take out a licence so that the department can compile statistics at the end of the year, although to my mind they are not very valuable, because they are not correct; but I do object, as I always have done, to these fishermen having to pay twenty-five cents or a dollar for a licence, or whatever fee the department charges. I want to protest against this bill as I have protested every other session in this house when the matter has come up. I do not think it is fair that these men who go out in the storms and the fog and the wind and the rain and risk their lives and bring new money into this country should have to pay twenty-five cents or any fee to the government before they can catch fish. I strongly urge the minister not to proceed with this bill but to bring in a measure that will do justice to these men who bring new wealth to this country.

Mr. MACDOUGALL: Has not that been the case for a number of years, under your government as well?

Mr. DUFF: Absolutely, and I have always protested against it. I have always been opposed to it.

Mr. MACDOUGALL: I agree with you.

Mr. MacLEAN: Mr. Chairman, I think that this matter goes a little further than appears on the surface. The very fact that this bill is brought in at this time is an admission on the part of the Fisheries department that they have been illegally collecting licence fees all these years. Anyone who looks into the fisheries regulations will see that the department is operating under regulations made by itself and not prescribed

under an act of this parliament. If the minister finds it necessary at the present time to bring in a bill to make it legal to collect these fees from the fishermen, it is only fair to assume that a great many of the other acts which the department is doing by regulation are also illegal.

Mr. DUFF: Hear, hear.

Mr. MacLEAN: That is one of the points I tried to bring to the attention of the house last night, that the Department of Fisheries has no right under any statute of this country to lease oyster areas, and that it is being done under the department's own regulations. I contend that if it is necessary to bring in this bill at this time to legalize the collection of fees it substantiates the claim we have made all along that the Department of Fisheries is prescribing and putting into effect regulations which are not on the statute books and which would not stand in a court of law. I would like to have the minister's opinion on that question. If it is necessary to bring in legislation to cover this specific case, why not bring in legislation to legalize all the other acts of this department for which there is no statutory authority?

Mr. STIRLING: As I have already pointed out, it appears as if these fees, which have been collected for many years, have not been supported by definite words in the Fisheries Act. That is recognized and now it is being corrected. The view expressed by the Deputy Minister of Justice may be explained as follows. The amendments are made to clear up any possible doubt that anyone may have as to the legality of the action taken by the governor in council in imposing fees for certain services. In so far as fees that have been paid are concerned, they have been paid under mistake of law and are not recoverable. I understand that there are no outstanding fees which must be collected, and therefore no litigation is pending in which this doubt can be passed upon by a court. As I have already explained, the fees for these licences have been collected for many years and there is nothing new about the issuance of licences nor the collection of the fees entailed. This is to ratify what has now come to light, there being a doubt as to the wording of the act having previously covered the collection of fees.

Mr. DUFF: In what the minister has read he has admitted that the department has for many years been collecting fees illegally from the fishermen of this country, and his department through him now comes to this parliament and asks us to ratify what has been on its part an illegal act for a great many years. That is precisely what we can understand from the minister's language and from what he has read as handed to him by the deputy of the Minister of Justice. It seems to me, if that is true, that before the minister brings down such ratifying legislation the least he might do is to ask himself, or perhaps to get some word from those who are interested in the industry, as to whether it is the proper thing to charge a licence fee for catching fish, any more than it is right to charge licence fees for growing wheat or potatoes, or cutting lumber, or making clothes. If the fishermen are to pay a licence fee, why should not everyone else pay a fee for carrying on business? Why should not the lawyers have to pay a licence fee to the federal government for charging the government $150 a day, as Peter White or Mr. Sommerville is doing? Why should the poor fisherman, who goes out in storms and winds to make $2 a day, pay a licence fee before he can catch lobsters? The minister has had a good deal of experience with the people of the country and he knows the hardships that apple growers, farmers and fishermen have to put up with. Why should he allow his officials, after stupidly collecting from fishermen for years a fee which they should not have collected, for catching lobsters or smelts, to come now and ask parliament to legalize the illegal acts of his own department? I am serious about this matter. I say to the minister that he should let it stand and investigate the matter and find out for himself what the feeling is among the fishermen in Cole harbour, Halifax county, or in Ecum Secum in my county, or in the county of the Minister of Finance, or down in Cheticamp, in the county of my hon. friend from Inverness, or in Glace Bay, in the county of the hon. member for South Cape Breton, or in the county of my hon. friend from North Cape Breton? Why does he not find out the views of these people? We are much more interested, in this parliament, than are the officials of the Fisheries department, sitting in the Hunter building, to see that justice is done the fisherman, and I say to the minister in all seriousness that he should allow the bill to stand and make a thorough investigation. I do not know how long he will be acting minister—I hope not long; I hope that there will soon be an election so that we may have a change of government and have something done for the fisherman. But whether the minister is in charge of the department for a short or a long period, I say that before legalizing what has been an illegal act in his department for a number of

years, he should make haste slowly. He should let the bill stand and investigate the whole matter and inquire from the people who are interested in the business, whether on the Atlantic or on the Pacific, if this legislation is in the best interests of the fisheries.

Mr. MACDOUGALL: When were these licence fees levied on the poor fishermen in Nova Scotia? They were levied under the Liberal government, of which the hon. member was a supporter, and he had ten years in which to protest and make these pious professions on behalf of the fishermen. But he never made any protestations on behalf of the poor, suffering fishermen when he had the opportunity to do so. Now however, when he is in opposition, and on the eve of an election, he makes these pious professions with tears flowing down his cheeks. I say, he had ten years to protest against what was being done, an act perpetrated against the fishermen by the government of which he was a supporter.

Mr. DUFF: You remember Rip Van Winkle, Mr. Chairman. He slept forty years.

Some hon. MEMBERS: Twenty.

Mr. DUFF: I thought it was forty. At any rate, my hon. friend from Inverness must have been sleeping for forty years.

Mr. MACDOUGALL: You are still asleep.

Mr. DUFF: My eyes are open. My hon. friend is not fair to me when he says that I did not protest against these fees while the Liberal party was in power. I did protest while the Liberal party was in power, just as I protested in 1917, 1918 and 1919. I would point out to the hon. gentleman that this act has been on the statute books from the time of Sir John A. Macdonald; it was on the statute books under Sir Wilfrid Laurier, Sir Robert Borden and all these statesmen. My hon. friend must have been sleeping all these years if he can suggest that I am only now for the first time protesting against these fees on the twelfth day of March, 1935. He knows that in season and out of season I have protested, when the Liberal government was in power and when the Conservatives were in power. I have always said that the department should not tax the fishermen any more than the government taxes anyone else. I hope he will agree with me when I say that I have protested year after year, whether the Liberals or the Conservatives were in power.

Mr. NEILL: I am sorry to disagree with my hon. friend from Antigonish-Guysborough, but there is really no need to hold up the passage of this bill. It has been said that the government are ratifying an illegality. They are certainly not ratifying it, because nothing is being done about the past; the act is not retroactive. But they are taking for the future the power to exact certain fees for fishing licences. It has been suggested that there should not be any such fees and reference has been made to the man growing wheat, and so on. But the man growing wheat is growing it on his own land and not on the public domain. The fisheries of Canada belong to the people and not to private individuals.

Mr. DUFF: They do not belong to the people; they are international waters.

Mr. NEILL: To whom do they belong?

Mr. DUFF: To the world, to God Almighty.

Mr. NEILL: My hon. friend can settle that with his God, but I am dealing with the rights of Canadians. Within the three mile limit they certainly do belong to the people of Canada and it is not unreasonable that something should be paid for the privilege. If we cut timber on crown property we pay for the privilege. There is another feature. This department is paying very large sums, in trying to protect the runs of fish, and so on. On the protection of the industry from United States citizens and other foreigners, for the conservation of fish and so on, the department spends enormous sums of money far in excess of the fees collected. On the whole the fees are not unreasonable, and I do not think the man who is asked to pay twenty-five cents or even a dollar a year has any great grievance about the matter; at least I have never heard any great complaint. When the commission of which the hon. member for Antigonish-Guysborough was the very able chairman, sat in British Columbia, he interested himself in having the fees cut down. The fees there were much higher than they are on the Atlantic and his action was quite proper. But this serves a useful purpose. The fishermen themselves receive an advantage because when you have a licence, you get a number; that number has to go on your boat and so forth. You cannot look after that sort of thing for nothing; it costs money. When somebody is suspected of fishing illegally, there is the number on the boat, and the fishermen can trace it right up to the Hunter building, as someone suggests, and find out who the man is. I often receive complaints about people fishing without licences, and I say: Find the number of the boat and I will trace his pedigree right to

the end. I do not think the fishermen have any great objection to this; the fees have been collected for many years, and certainly much more is spent on the fishing industry than the amount of the fees collected.

Mr. DUFF: I agree with the hon. member for Comox-Alberni that the department spends certain sums of money to develop the fisheries, for fishery guardians and so forth, but my hon. friend seems to forget that where one dollar is spent on the fisheries, twenty-five dollars or more are spent, for instance, on agriculture. If that is the case, why should there not be licence fees for agriculture? Why should a man who grows apples not pay a fee? It is claimed that the fisheries are in the public domain. Does anybody pay a licence fee to snare rabbits?

Mr. NEILL: Yes.

Mr. DUFF: Of course not. If the Minister of Agriculture were here, I would ask him to bring in a bill to make the hon. member for Comox-Alberni pay a licence fee to snare rabbits, for I understand he is a great rabbit hunter. I object to a good deal of legislation that goes through this parliament, because I believe everybody should be treated alike. Why should the fishermen be picked out as the ones to pay licence fees? The hon. member for Comox-Alberni is the man who was complaining in my presence and in the presence of everyone here that there is not sufficient money spent to develop the fisheries of this country. Yet he is trying to make parliament believe that the fishermen should pay licence fees, because, forsooth, there are one or two or a few men poaching in the rivers of British Columbia or on the Atlantic coast. I do not object to having poachers caught; I do not object to having boats look after the fisheries, but surely the hon. member for Comox-Alberni must realize that millions and millions of dollars are spent by the Department of Agriculture and every other department, whereas very little money is spent for the fisheries. Why should the fishing industry be picked out and the fishermen have to pay licence fees, when the farmers and every other person engaged in the natural industries of this country do not have to pay a licence fee? I do not believe the fishermen should be compelled to pay licence fees unless everybody in every other industry is treated alike. The minister comes here to-night with this bill, only because his officials have found out that for years they have been illegally making the fishermen take out licences and pay fees and they realize that they must pass this bill in order to cover up their tracks.

[Mr. Neill.]

Mr. NEILL: If I go to shoot rabbits I have to pay a fee two and a half times as great as if I go out fishing.

Mr. VENIOT: Not to the dominion government.

Mr. JACOBS: I do not profess to be an expert in fish. Whenever these questions come up in the house, I am perfectly satisfied to have the hon. member for Antigonish-Guysborough lay down on my behalf and on behalf of those who are not fishermen what he considers to be the law. He did refer however to the fact that lawyers ought to contribute something in the way of licence fees to the upkeep of this country. I quite agree with him. There are different kinds of lawyers; there are ordinary lawyers and expert lawyers, those who appear before the committees of the house, and who, as I understand from the hon. member for Antigonish-Guysborough, are usually paid very handsomely for their services. I think those gentleman can be assimilated to fishermen, particularly when they fish for evidence as they have done so successfully within the last few years before the committees. I am quite willing that those lawyer fishermen, as I may call them, should be brought on to the carpet and asked to explain what their salaries are per annum and be required to pay a reasonable fee which might go into the coffers of this country to help to lessen the very great deficit with which we are confronted. I make that suggestion to the acting minister, and I hope it will be acted upon. But I would ask him to see that the lawyers are divided, as I say, into fisher lawyers and those who do not fish but only sit on the bank.

Mr. MacLEAN: The question of this bill being brought in arose possibly out of a little incident that occurred right in my constituency of a fisherman being fined for fishing without a licence. He protested the case and it is still before the courts. I imagine that was the start of this legislation and is the reason for its being introduced. The case has been put off from time to time, and although the man has endeavoured in every way possible to have his case heard and a decision given, so far the lawyers on both sides apparently wish to put off the case for the present, possibly awaiting some legislation of this kind. This same gentleman who was fined under the Fisheries Act for not having a licence, submitted a long list of questions which I endeavoured to have put on the order paper to be answered in the house. These questions were dealing with this very matter. One of them was:

Is clause 3 of the Fisheries Act ultra vires of the dominion parliament?

Another was:

What jurisdiction has the dominion over the fisheries in its tidal waters other than regulating and protecting same?

There are some twenty-five questions asked along the same line. I endeavoured to submit those questions, and I was told by the clerk of the house that they were of a judicial nature and could not be answered by a minister. I then sent the list of questions over to the acting Minister of Fisheries and received a similar reply from him. I may say that when I sent the questions over I asked him to refer them to the justice department for their opinion and a ruling. The reply I received from the minister was that the justice department was there for the purpose of advising the government but not for the purpose of giving a legal opinion to a private individual. Therefore in every attempt we made to bring those questions before the house and get an answer, we were blocked.

The other day at a meeting of the fisheries committee I wished to bring this matter up, and I was told by the chairman of that committee that nothing could be brought up there except matters which were referred to it by the house, and that this question had not been referred to it. I believe if we could search the records we would find that this whole legislation developed right in my constituency where this man was fined for not having a licence. He brought his case before the courts and it is still before the courts, and now our friends find that they have been acting illegally in the matter all along and want to rectify it by putting through this bill.

Mr. VENIOT: As we are on the question of fees I should like to draw the attention of the minister to a case that has recently developed in my own county. The department evidently recognizes that until this bill goes through they have no legal authority for charging licence fees for fishing. In this case the department or some local officials of the department stepped in and made a law of their own. Notwithstanding that the department admit that they have no authority to impose a licence fee, and come to this parliament to have this bill passed, the local officials imposed a double licence fee in certain sections of New Brunswick upon smelt fishermen. For instance a man has a net and is fishing for smelts through the ice. He pays his two dollar fee or whatever it is, and when the tide no longer suits there he moves to another section. He does not take the place of anyone else, but a complaint may be lodged that people from one section are moving to another section to carry on the smelt fishing. The local official or inspector of the district makes that fisherman pay a double fee. I know it has been collected without the knowledge of the department. I am not blaming the department for it; it has been imposed by the local inspector claiming to have authority for it under this act, but now we have the admission by the minister that they have no authority to impose even one fee, let alone two. It has been brought to the attention of the department that men refused to pay the second licence fee, and that the mounted police were brought on the ice to arrest them unless they paid it. That has happened within the last three weeks, and I call the attention of the minister to it and I want him to look into it and to reimburse. these fishermen for this second licence fee they had to pay. I have already taken it up with the department; the minister will find my correspondence on file. He will find that this practice was adopted by the local inspector in the hope that by charging a second licence fee he might regulate the fishing. If it was not right for this fisherman to move to another location to fish, why not stop the fishing? Why permit it under a second licence? But evidently the department has no authority to regulate it until this bill goes through.

Mr. STIRLING: Would the hon. member be good enough to give me the name of the person?

Mr. VENIOT: It is not necessary; all the particulars are on file in the department. Ask your deputy; he will produce my correspondence and the complaints received.

Mr. STIRLING: I shall be very glad to have it looked into.

Mr. DUFF: The minister has not yet explained why he is now bringing in a bill to compel fishermen to pay a licence to catch fish, whereas other departments of the government charge no fees. Why is this particular industry picked out? Why are these hard working fishermen compelled to pay fees when no fees are charged by other departments?

Mr. STIRLING: As has already been pointed out, the purpose of the fees is to provide the money required for the regulation of fishing, for the provision of boats that look after the fishing and the various measures that are taken for the benefit of the fishermen of Canada. It has been carried on not only for years but for generations, and it is

certainly appreciated by the fishing industry that we should carry on that work and charge licence fees to provide the money with which to do so.

Mr. JACOBS: What do the fees and licence collections amount to in a year?

Mr. STIRLING: They range all the way from 25 cents to $20 a licence.

Mr. JACOBS: But what is the aggregate?

Mr. STIRLING: The total revenue was $39,524.

Mr. DUFF: The minister's explanation has not answered my question. I know the value of having boats on the Atlantic or the great lakes or the Pacific coast to protect the fishermen; I think I am seized of that perhaps as well as he is. But why should the minister collect $39,000 in amounts of 25 cents—two bits; is that the term in the west? —from the fishermen when it is not collected from farmers or apple growers in the Okanagan valley? That is what I object to. Surely the minister does not mean to suggest that fishing is the only industry upon which money is spent for its encouragement or protection. The minister must certainly know, because he is a horticulturist himself, that we vote ten times as much money for horticulture and agriculture as for fisheries—yes, fifty times or perhaps a hundred times as much. The minister cannot get away with the story that it is necessary in order to have those few patrol boats or a few inspectors. Isn't that stupid and ridiculous? For instance in the county in which I live they have one inspector to inspect about 30,000 barrels of pickled herring and mackerel. In the city of Halifax, where perhaps 50,000 barrels come, they have two inspectors, and the minister says that because they have those two inspectors in Halifax, or one in the constituency of my hon. friend the Minister of Finance or one in Lunenburg, they have to collect twenty-five cents from Jim Bush at La Have so that he can catch lobsters. If you put the farmers on the same basis, if you put lumbermen on the same basis, or storekeepers, all right; let us tax everyone to death. We are taxed pretty well now; there is so much paternalism and restriction that a man cannot turn around without paying a licence either to the federal or to the provincial governments. I do not know what is going to happen; the result will be that people will not try to do any business; the fishermen will not want to fish or the farmers to grow wheat or potatoes. But when the minister says to this intelligent body, a committee of the parliament of Canada, that it is necessary to prescribe and collect these fees because a few patrol boats or inspectors are engaged, he is not fair to himself, let alone to this parliament. As I said, fifty times as much money is voted for agriculture—and I do not say agriculture should pay a fee; as far as that is concerned I am opposed to all sorts of taxation. But why should the minister let his officials have him bring in a bill of this kind to tax the fishermen? My hon. friend says he is not trying to legalize an illegal act, but he has admitted that the collection of these fees for many years was illegal and now he is trying to legalize it.

Mr. MACDOUGALL: Under a Grit government.

Mr. DUFF: Sure, and under a Tory government and under a Union government. We have had all kinds of governments in this country, and my hon. friend has supported most of them.

Mr. GOBEIL: You will have to form one of your own.

Mr. DUFF: Well, I think I would do better than my hon. friend would, because I understand that now he is anxious to join a national government. Let me say to my hon. friend from Inverness that the hon. member for Gloucester has reminded me that this fee has been illegally charged by this parliament ever since confederation, so I was right a few moments ago when I said it was done in Sir John A. Macdonald's time.

Mr. MACDOUGALL: Then why object to making it right now?

Mr. DUFF: Because I am opposed to the fishermen paying licence fees. It is bad enough that my hon. friend should have to pay this government a licence fee of $400; it is bad enough that we have to pay $400 out of the little indemnities we receive for coming here and carrying on the business of the country. Why make the fishermen of Inverness pay twenty-five cents for the privilege of catching lobsters? If my hon. friend wants to pay his $400 let him pay it, but I am opposed to it; I say it is all wrong. Whether it is in connection with unemployment insurance, the eight hour day, a weekly day of rest or minimum wages, unless you can bring all the people who work with their hands and their brains under the arrangement I say this parliament should not pass it, and the same thing applies in this case. Why should the

fishermen pay licence fees any more than the farmers or any other class? That is my objection.

Mr. MACDOUGALL: Does not that fee of twenty-five cents give them some protection against outsiders coming on to their fishing grounds?

Mr. DUFF: Not at all; the licence fee has nothing to do with it. They have some bug professors down there in the Confederation building who are trying to run the business of this country, but to his credit the Minister of Agriculture would not allow them to look after the egg business. He turned them down, after the people of Saskatchewan, Manitoba and Alberta turned down the proposal. We can have the bug professors, the fisheries inspectors and the apple inspectors, but why should the fishermen be the only ones to pay fees? My hon. friend must admit that while we have perhaps fifty apple inspectors in Nova Scotia the apple growers do not pay a licence fee. It is true that they have to take out licences, but they pay no fees. Why should the fishermen be placed in a different category and on a different basis from the apple growers of the Annapolis valley?

Mr. MACDOUGALL: I agree with my hon. friend.

Mr. DUFF: Then what is my hon. friend beefing about?

Mr. DICKIE: I should like to say a word or two with respect to this matter. I am very much surprised to hear the argument of the hon. member for Antigonish-Guysborough with respect to fishing licences. It is only as a result of eternal vigilance on the part of the fisheries department that we have any salmon on the Pacific coast at the present time. From Alaska to the international boundary we have fishery guardians at every little cove where fish run. If it were not for that fact the fishermen would catch every fish running up those streams in any year, if they could do so. We are protecting the fishermen against themselves. I have never heard very much fault found with the licences they have to secure. They are glad to see that others are licensed, and we are expending ten dollars for every one dollar we get from the fishing industry of Canada. Fishing is not at all on a parallel with the apple industry or any other branch of agriculture. We are spending that money in order to perpetuate the run of the salmon. Without these licences and without supervision, which costs a good deal of money each year, I can assure you that the salmon would have been decimated long ago on the Pacific coast. It is a fight morning, noon and night on the part of those guardians to keep purse seine men and others from going in and scooping up schools of salmon just before they ascend the streams to spawn. As I said before, the present situation is due entirely to the eternal vigilance on the part of the department, and I have nothing but good to say of what has been done by the Department of Fisheries for the fishing industry on the Pacific coats.

Mr. DUFF: I have no objection to supervision of the fisheries; my hon. friend did not get me right. I object to the fishermen having to pay a licence fee.

Mr. DICKIE: The man who sells ice cream pays a licence fee. Everyone pays a licence fee.

Mr. DUFF: Not to the dominion government. In 1922 my hon. friend joined with me in opposing the charging of fees to fishermen on the Pacific coast; he and I signed a report that the licence fees were too high. If he and I had it our way we would have cut them out altogether.

Mr. DICKIE: Certainly they were too high, but I never stood for their abolition. They have been lowered and they are reasonable to-day. I do not hear the fishermen there kicking about them at all.

Section agreed to.

Title agreed to.

Bill reported.

SUPPLY

DEPARTMENT OF NATIONAL REVENUE

The house in committee of supply, Mr. Morand in the chair.

Salaries, $798,709; contingencies, $92,700.

Mr. GRAY: Would the minister explain the increase under contingencies?

Hon. W. A. MATTHEWS (Minister of National Revenue): This increase is contained in two items, one of $10,000 and one of $8,000. The increase of $10,000 in clerical assistance is to provide sufficient funds to meet the salaries of temporary clerks appointed as a result of permanent officers leaving the service. The salaries of temporary employees cannot be paid from the funds provided for permanent employees. The increase of $8,000 in sundries is to provide sufficient funds to meet the travelling expenses of members of the headquarters staff.

Item agreed to.

Salaries and contingent expenses of the several ports of the dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, and temporary buildings and rentals, $6,150,000.

Salaries and travelling expenses of officers of the inspection, investigation, audit and the preventive service undervaluation services, $971,708.

Miscellaneous, including printing and stationery; subscriptions to commercial papers; flags; dating stamps; locks; instruments; express charges on samples; legal forms; legal expenses; premiums on guarantee bonds; uniforms for customs-excise officers; laboratory equipment and supplies, etc., $560,000.

Amount to be paid to the Department of Justice to be disbursed by and accounted for to it for customs-excise secret investigation service, $15,000.

To provide for the administration of the Income War Tax Act 1917 and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, and salary of $9,000 (less statutory deduction), for the commissioner of inome tax, $2,025,000.

Amount to be paid to the Department of Justice to be disbursed by and accounted for to it for the income tax secret investigation service, $10,000.

Mr. SANDERSON: Would the minister explain the increase?

Mr. VENIOT: Under this heading I wish to direct the attention of the minister to a certain occurrence in my county. I referred to it in passing, without giving details, when the Minister of Justice had a matter before the house relating to the mounted police. At the risk of being threatened with arrest or another suit for contempt of court I shall once more lodge an attack against the mounted police in connection with their enforcement of the revenue laws of the country. Early in the session I placed on the order paper the following question:

Were instructions issued by the Department of National Revenue in connection with the disposal of the vessel Paul T seized for infraction of customs regulations; if so, what were such instructions?

The answer to that question was:

Yes, to destroy the vessel.

Then the second question was as follows:

Were instructions issued by the said department for the disposal of liquors seized on board such vessel; if so, what were such instructions?

And the answer was:

Yes, to destroy the liquor.

I am raising no objection to the destruction of smuggled liquor or the destruction of a vessel conveying smuggled liquors into Canadian waters. I would be the last one who would wish to protect a smuggler. Having been in the civil service for some years I understand the difficulties under which the officials of what in those days was the Department of Customs, now the Department of National Revenue, laboured in order to carry out the revenue laws. Therefore it is not my intention, nor is it to be understood that I bring the matter before the committee with any such intention, to defend those who violate our customs laws. Later in my observations I shall deal at greater length with this phase of the matter.

Turning again to my questions I find that number three is as follows:

Were instructions issued by the Department of National Revenue for the disposal of the stores found on board the Paul T; if so, what were the instructions?

The answer was that no specific instructions were given. If no specific instructions were issued in regard to the disposal of the stores, what authority had the mounted police, acting on behalf of the Department of National Revenue, to take those stores and destroy them before the people of the village of Shippigan? What happened? The vessel was destroyed. Late in the fall of the year she was hauled on to the bank, away from the water and clear of the ice. When the order was issued for her destruction the other vessels surrounded her on the beach, and she had to be sawn in two and afterwards burned. The machinery on that vessel, an auxiliary engine worth $600, they destroyed, breaking it into pieces with a maul. The ship's stores were placed in a house under the protection of the police. Those stores consisted of beef, barrelled beef, canned goods, flour, molasses and so on. Afterwards they were taken out of the house, brought to the beach and destroyed by fire in the presence of a hundred or a hundred and fifty people on direct relief. It is to this point that I draw the attention of the minister. If no specific instructions were issued for the destruction of the stores, what right had the mounted police to do that? I say they had no right to do it. If it were left to the judgment of the mounted police to do what they liked with the stores—and apparently it was—and they in turn destroyed these stores while people prayed that they be left so that they could be used to feed little children who, starving by the roadside, watched their destruction, then I must protest.

Having dealt with that angle of the matter let me now refer to the conduct of the officials who destroyed the liquor. The cargo of liquor was valued at about $20,000. It was taken from the vessel and stored in the home of a mounted police official in the village of

Shippigan. Three weeks after the liquor was stored there, supposedly his house was broken into and twenty-eight cases of the liquor disappeared. A search was made, and persons were placed under arrest, or attempts were made to place them under arrest, for having stolen the liquor. The officials never found out who stole it, but there is a deep seated suspicion in the district that the liquor was not stolen by the individuals upon whom they attempted to place the blame. When the loss was discovered the remaining liquor was moved from Shippigan to Bathurst, a distance of sixty-five miles, and stored in a bonded warehouse.

The order for the destruction of the liquor came at a time when ice had formed in the harbour. Instead of breaking open the cans containing the alcohol and dumping it into the harbour, the mounted police dumped the liquor on a dump heap in the town of Bathurst, leaving no one to protect it. At five o'clock in the afternoon—

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: When hon. members hear the full story they will not laugh. Having thrown the liquor on the dump heap, some of the bottles were broken and liquor was left in other bottles and in the tin cans which originally contained two and one-half gallons. School children returning from school visited that dump heap and as a result we had the spectacle of little children, some of them under thirteen years of age, staggering in a drunken state through the town because the mounted police had not done their duty and had not taken measures to prevent any person from obtaining access to the dump heap. Their duty was not to destroy it on the dump heap, but to destroy it in the harbour. But having chosen the dump heap I say it was their duty to give some protection and allow no person near the point of destruction until all the liquor had been absorbed into the heap. That is the reason I bring the matter to the attention of the minister.

I should like the minister to understand that while I would support anything having to do with the prevention of smuggling I would not support the conduct of officers of the department who acted as I have indicated in the present instance. The minister or his officials should know that in this instance the dominion government had no legal right to take and to destroy the liquor, nor had they any legal right to order the destruction of the vessel. The vessel never was under seizure by the dominion government. The captain of the vessel indicated that his craft was in distress at a point thirteen miles from shore. He put out his distress signals, with the result that the government patrol boat came to his aid and towed him to Shippigan harbour. He told the officers he had a cargo of liquor aboard. His hatches were sealed, and when the vessel reached Shippigan harbour the captain and his crew were arrested under a charge lodged not by the Department of National Revenue but by the government of the province of New Brunswick, indicating that they were charged with having liquor in their possession which had not been purchased from the liquor commission. The captain and his crew were tried. The captain was condemned and confined to gaol, and the vessel became the property of the provincial government. On an appeal to a higher court the crew were freed and the captain was held responsible. Then the Department of National Revenue steps in and enters a case against the captain for having smuggled or attempted to smuggle liquors into Canada. The first case was tried before a provincial police court magistrate under a summary conviction, but the case entered by the Department of National Revenue was tried before a county court judge and jury, and the jury brought in a verdict of not guilty. Their verdict was that the captain was not guilty of having smuggled liquors into New Brunswick. The vessel was beyond the three mile limit, and therefore when seized under the conditions I have described, the captain was not guilty of smuggling. I want to know why, after the charge laid by the department against the captain had been tried and disproved, and the captain had been given his liberty and discharged, the department ordered the destruction of that vessel. It was the place of the provincial government to act. Did the provincial government transfer its jurisdiction to the Department of National Revenue? It has got to the point, Mr. Chairman, where this case is going to become an international one. The vessel was a French vessel, and application is being made to the government of France to intervene in the matter and to bring the case before the authorities in Canada for the protection of its citizens. As I said before, I am not raising my voice on behalf of a smuggler. I am raising it against the manner in which things are carried on, and they are carried on in such a way that the conduct of the officials of the national revenue department has made this an international question.

These are the points to which I wish to direct the attention of the minister, and I hope he will have them gone into thoroughly. I am not blaming his department, but I do say that unless it can be shown that this

captain violated the customs laws the Department of National Revenue had no jurisdiction and no authority to proceed in the way they did, and in so acting illegally they have brought about an international question between Canada and the republic of France.

Mr. MATTHEWS: Mr. Chairman, I am very glad indeed to hear the recital which my hon. friend from Gloucester has given. If the facts are as set forth I think the captain would have had recourse against the department in the courts, if action was taken within thirty days.

Mr. VENIOT: He could not do it without a fiat, so what is the use of talking?

Mr. MATTHEWS: The Royal Canadian Mounted Police are responsible for the preventive service police work in connection with the customs and excise laws. However, they are not attached to the Department of National Revenue and are not affected by the vote now before the house. Technically, I do not think a general discussion of this nature is in order. I am always very glad to receive particulars of any case such as has been mentioned by my hon. friend, arising out of the enforcement of the customs and excise acts, and if given particulars I shall be pleased to look into any case.

Mr. VENIOT: I am sorry the minister thinks this is not in order on this item. If I had thought it was not in order I would not have brought it up at this time, but I do not see any other item on which I could bring it up. The department say they issued orders in this case, and they issued them to the mounted police, and the mounted police acted on the orders of this department.

Mr. WOODSWORTH: There is another matter to which I should like to direct the attention of the minister. A few days ago I placed on the order paper a question as to banned books, and the reply was given me by the Postmaster General that it was against the practice of the department to give the names of the books that were banned on the ground that it might help to advertise them. That seems to me to be an absurd position and one that I think cannot very well be maintained.

A few days ago I received a complaint from a friend of mine, a university professor, who had ordered some books from abroad. I do not know the names of the books, but when the books came he was informed that they could not be admitted. He asked the reason and the postal or customs authorities would not give him any satisfaction at all. He then asked for a list of the books that were banned, because evidently the postal people had been supplied with such a list by the customs department, but the postmaster refused to give him any information. It seems to me that that is a position that is entirely incompatible with anything like real democracy, and further than that, it places any ordinary citizen in a very awkward position indeed.

Since that time I have had the following document given to me. It is signed by the subcollector of customs and excise divisions, national revenue department, Prince George, B.C., and reads as follows:

> This office has received a package of books from Russia addressed to you, and I beg to advise that only the following of this shipment is permitted entry into Canada, namely; An American Worker in a Moscow Factory; The First Business Accounting Brigade; The Land of Inventors; The Moscow Theatre for Children; Moscow Old and New; Industrial Technical Intelligentsia in the U.S.S.R.; Lenin.
>
> A card for the duty on same is enclosed herewith.
>
> The following books which may be returned to the exporters at your expense are: Interviews with Foreign Workers in a Moscow Factory; Soviet Ukraine To-day; German Workers in a Moscow Factory; Bucher; The Man in Uniform; Our Foreign Policy; Ready for Defence; The Results of the First Five Year Plan; Report on the work of the Central Committee of the C.P.S.U.; Religion and the Church in the U.S.S.R.; Youth in the Soviet Union; Kolkozniki; From Stalingrad to Kusbus.
>
> The weight of these books is two and a half pounds, and the return postage rates are one cent per two ounces book rate or $1.32 for the two and a half pounds, parcel post rate, as quoted by the post office here. Will you kindly advise what you wish done with these and also kindly furnish us with the name and address of the exporters?

Mr. JACOBS: Were these books in English?

Mr. WOODSWORTH: These were apparently in English; I am going entirely by the letter. My point is this. What protection has any Canadian citizen or any importer in a matter of this kind? I am not at all familiar with any of these books, but from the titles I cannot see any very real distinction between the books that are allowed to come in and those that are forbidden. The books in one list are allowed in and the others are not only forbidden but the return postage on them must be paid by the importer. It seems to me that the least that can be done is to inform the public what books are banned; then we should know enough not to import them. But when we are not informed as to what books are banned

and we send an order, then find that they are banned and that we are required to pay return postage, it is a very unfair arrangement indeed. Who is responsible for prohibiting this second list from coming in, and on what principle are they banned when the books on the first list are allowed in?

Mr. MATTHEWS: The department has an examiner of publications who issues orders in regard to the books that may be imported, and he prohibits those that are treasonable or seditious or of an immoral or indecent character. I do not come intimately into contact with the literature to which the hon. gentleman refers; consequently I do not know very much about it. The ramifications of the department are very wide and we do not publish a list of the books that are banned, but my hon. friend may come to the department at any time and talk with the examiner and see the list of books prohibited.

Mr. WOODSWORTH: I do not think that solves the problem of my friend in the university who wrote me about this matter, nor of the importer in Prince George. It does not solve the problem for a thousand other people, because they have no opportunity of going to the department and finding out what books are banned.

Mr. MATTHEWS: They can go to the nearest collector and inquire.

Mr. WOODSWORTH: They send their orders from catalogues, and then there comes a letter of this kind, which seems to me to be perfectly arbitrary. Certain books are permitted and others, which from the titles are indistinguishable from those that come in, are banned. How is the importer to know when he is not permitted to see the list of those that are banned?

Mr. MATTHEWS: Before a book is banned it is carefully examined in the department.

Mr. WOODSWORTH: I will give another example. In the last year I have received complaints about certain literature, again from Russia. Several years ago, shortly after I had been in Russia for a few weeks, I stopped in London and ordered a weekly paper from Russia to keep in touch with what was going on there. I have not continued my subscription but was interested at the time. I have no complaint to make because my copy of this weekly paper came through without trouble, but a number of my friends across the country have written me that their copies have been held up in the mails. There is something wrong there; either some over zealous man in the postal service is exceeding his authority or else the instructions given from head office are not sufficiently clear. Coming to my main point, I do think that there ought to be sent out some sort of list of books that are banned so that people will know. Certainly they should not be regarded as breaking the law or be put to the inconvenience and expense of returning books that are banned when they do not know what books are banned.

Mr. MATTHEWS: I can only assure my hon. friend that we do the best we can in the circumstances. Someone has to take responsibility for the class of literature that comes in, and that responsibility belongs for the time being to my department. We are as generous as we can be as we are in all things, and I regret if the hon. gentleman has been put to any inconvenience.

Mr. WOODSWORTH: This is not personal; I have not been.

Mr. MATTHEWS: Well his friends may have been. I assure him that we will do everything we can to facilitate matters for them so long as the literature comes within the law and is of a class that can be properly admitted. We do not publish the list, but if he will come to the department he will find the officers courteous, kind and willing to do everything they can to assist him.

Mr. SANDERSON: Will the minister explain the increase of $98,500, approximately ten per cent over last year?

Mr. MATTHEWS: It might be cleared up if I answered item by item. The first item is an increase of $12,000, which is explained as follows. Owing to the necessity of having sufficient funds to meet increased expenditure in connection with cartage, travelling and living expenses of relieving officers, removal expenses of officers transferred, overtime, purchase of land; and sundry small items, an increase has been provided in contingencies amounting to $71,577. From this increase of $71,577 deduct the saving in salaries which has been brought about by reduction in staff, (forty-three officers), provisional promotions without salary increase and appointments to positions at lower salaries than paid previous occupants, amounting to $59,577, and this leaves a net increase of $12,000. The second item deals with expenses of investigation, audit, preventive service. The increase here is $55,010 and it is explained as follows. Twenty additional excise tax auditors; two additional stenograph-

ers in the audit branch; one cashier and computing clerk transferred from the staff at the port of Winnipeg to the audit branch; four investigators of drawback claims; two customs excise clerks; four typists, grade 2; amount required to meet travelling expenses of additional auditors and investigators of drawback claims, making a total of $71,560. That is the gross increase. From the gross increase of $71,560 deduct the saving in salaries of positions not filled permanently, and the saving in salaries of persons appointed or promoted at lower salaries than their predecessors received, amounting to $16,550, leaving a net increase of $55,010. The next item is miscellaneous, and here the increase is $60,000. The increase in this instance is due to the necessity of providing sufficient funds to cover our requirements in stamps and labels and for the replacement of typewriters, adding machines and cash registers which cannot be further repaired. I would be glad to give the details of this appropriation, but the large items are for stamps and labels, $300,000, and for printing, $100,000. The others are small. That accounts for the total increase of $93,510.

Mr. SANDERSON: I was in error when I said that the increase was ten per cent, because the total vote is $9,731,000. It is practically one per cent and it is a good deal of money. The minister however has explained the increase. Has he any other item than this, or does this complete his department?

Mr. MATTHEWS: We have no other item in the main estimates. There may be one in the supplementaries, but as to that I do not know at present.

Mr. JACOBS: May I revert for a moment to the question that was put to the minister by the hon. member for Winnipeg North Centre? Would he give us the name of the official censor in the department who passes on this literature?

Mr. MATTHEWS: Mr. J. S. Roe.

Mr. REID: There is a case I would like to draw to the minister's attention in connection with the collection of the sales tax as affecting a small brick plant close to where I live. This small plant has an investment of some $15,000 and employs thirty-five men. It has had its books regularly audited for some six years, and every year after the audit it has paid the tax computed by the officials who went through its books. But two years ago the taxing officials said: "We have made a mistake and want to go through your books again, because we believe we should have charged you a higher tax. They made two audits of the books and claimed that the brick plant should have contributed more money by way of sales tax. The company resisted the claim successfully and the matter was dropped. But last year along came officials from the same department saying: "We want to look over your books again; we are going to go through them in another form this time and probably we will find out then what was wrong with the amount which you have paid to the department." This company claims that what has taken place has amounted to persecution; that it takes about four months to make an audit, and that it is impossible to say at the moment what price was charged on the bricks sold, because as a matter of fact many of the bricks were sold on what is called a barter basis, that is, men providing labour or wood and in return getting bricks. But the company is now compelled to go out of business owing, as it claims, to the work of these officials. They say:

> The utter impossibility of a small industry paying up six years' penalties and arrears of sales tax long after the government's own assessment, based on its own audit, had been satisfied, is such that we have no recourse but to go out of business and wind up the company.

Has the minister any information regarding this plant? The name is the Vancouver Brick and Tile Company, and it was located at Sullivan, a place about eleven miles from the city of New Westminster. I feel that the officials have been over officious in this regard and that there is some ground for complaint. Has the minister received any complaints?

Mr. MATTHEWS: I have no personal knowledge of this company. I may be wrong, but I am under the impression that there is an interlocking arrangement; and that we have had difficulty in getting at the facts and the proper values. I do not however say that as a statement of fact, but I should be very glad to review this case and talk it over with my hon. friend if he cares to come and see me about it. In that branch of the department we audit the books of 22,000 firms. I cannot undertake to retain in my memory the results of all these audits, but I shall be glad to look into the matter.

Mr. REID: I understand from the company itself that protests were made to the minister's department and also to the hon. member for East Kootenay, and little action was taken regarding their complaint. Now they have gone out of business due to this.

They say that there are about 60,000 invoices to go through and some 300,000 delivery slips, because the output of the plant is sold in small lots. If that kind of thing is going on throughout the length and breadth of this country, I am afraid it will shut down a good many of the plants. I should be glad if the minister would look into the whole matter and give me an answer as to what it was that necessitated three audits by these officials.

Mr. MATTHEWS: I can only repeat that I shall be very glad to review the case. I cannot say anything more about it at the moment.

Mr. MACKENZIE (Vancouver): May I ask the minister if he will do the same thing in regard to the Shenahan Company of Vancouver? He will recall the correspondence. Will he either review the case or give me an opportunity of discussing it on the supplementary estimates?

Mr. MATTHEWS: I wrote a very complete letter on this subject to my hon. friend to-day and sent it to him by hand. I hope he has received it.

Mr. MACKENZIE (Vancouver): Not yet.

Mr. BLAIR: There are many complaints that United States firms are taking money out of Canada. I should like to make some inquiries of the minister. How many Canadians have incomes of over $50,000 a year? Hitherto it has always been over 600. This year he has reported that there are 390. I would like to know why there is this great reduction. I would also like to know how many there are in Canada who have incomes of from $200,000 to $400,000. It is felt that companies in Canada in many cases are being bled by Wall street, and some information as to the facts would be of interest; we would like to know if we are maintaining our own with the people of Wall street. It is not the desire to interfere with any individual or mention any names, but the numbers might be given of those with incomes between $200,000 and $400,000.

Mr. MATTHEWS: My hon. friend is quite correct in saying that in Canada there are 390 persons with incomes of more than $50,000 a year. But how many have an income of $200,000 or $400,000, if any, I cannot say. If the hon. member will allow me I shall be pleased to look into the matter.

Mr. REID: Have members of the Royal Canadian Mounted Police working in conjunction with the minister's department the authority or right to set a valuation on goods smuggled into Canada and charge duty on that valuation? Suppose for instance a man is caught with a bicycle smuggled in from across the line—this is just a hypothetical case —and the Royal Canadian Mounted Police found him with it; in such a case are they permitted by the department to place a valuation upon the bicycle and collect duty on that valuation, or should they take him before the proper customs official in order that a proper valuation may be placed upon it?

Mr. MATTHEWS: Is my hon. friend speaking of the smuggling into the country of a bicycle or any other article and then its discovery by the police?

Mr. REID: Yes.

Mr. MATTHEWS: In that event I am afraid the article would be seized and forfeited under the law.

Mr. REID: I have two cases in mind that perhaps I shall bring up later. One was in connection with a radio; the man was haled before the Royal Canadian Mounted Police, who placed a valuation on the radio and he paid duty on that valuation. I was wondering if that is a common practice.

Mr. MATTHEWS: We would require to have full particulars. There are entries running in number to two million a year in customs and excise. If my hon. friend will give me the particulars he will receive a complete answer.

Mr. GOLDING: Have any sums been collected by the income tax department as a result of revelations before the price spreads and mass buying commission, and if so what is the amount?

Mr. MATTHEWS: I am informed that the answer is no; no amount has been collected.

Mr. BOTHWELL: The mounted police from time to time seize slot machines that are being operated illegally. I have a report that many of these machines have been brought into Canada without payment of duty. When a machine is seized for being operated illegally, an order is usually made that the machine be destroyed. Does the minister's department still proceed against the man who had that machine in his possession and collect the duty?

Mr. MATTHEWS: I am informed that if the police seize the machine under such circumstances they destroy it.

Mr. BOTHWELL: But do you also collect the duty? The reason it is seized and confiscated and destroyed is because the criminal law is being broken, but that does not affect the Department of National Revenue. If the machine was brought into the country illegally then it seems to me that whoever has it in his possession should be proceeded against for the duty that should have been paid.

Mr. MATTHEWS: In that case he loses the machine, but there is no duty collected.

Mr. BOTHWELL: I ask the minister if that is a fair proposition. These machines have become a menace in various parts of Canada, and the police are having great difficulty in enforcing the law against them. Ostensibly the machines are for selling chewing gum or some other article, but frequently they are changed so as to pay nickels or quarters instead of mints and gum. I understand that many hundreds of these machines were imported illegally, no duty having been paid on them. When they are confiscated by the police as gambling devices they are destroyed. But my point is that they are destroyed under the criminal code, and that should not affect the right of the department to collect the duty that should have been paid. They are brought into the country in the first place as legal machines, but are used illegally. I think any one harbouring a machine of that kind should be responsible for finding out whether the duty has been paid before he takes the machine into his possession.

Mr. MATTHEWS: If they come in legally the duty must have been paid.

Mr. BOTHWELL: I think we are at cross purposes as to the word "legally." They are legal machines in the sense that they can be operated legally, but they are illegal when operated contrary to the provisions of the criminal code, in other words, when they become gambling devices. My point is that owing to the difficulty the police are experiencing in controlling the operation of these machines, the department should assist by tracing every machine back to ascertain whether or not the duty has been paid, and if not, fine the individual who is harbouring it. I ask the minister to consider that question and see if his department cannot help the various police forces in Canada in that way. I believe it would restrain those who are inclined to take such machines into their possession if they knew that in addition to losing the machine they may also have to pay the duty.

[Mr. Matthews.]

Mr. MATTHEWS: I can only repeat what I said before; if I have full particulars I shall look into it. We are continually following goods that have been smuggled into the country. But if any machine is brought in duty paid and then operated illegally I am afraid it is not a matter for my department.

Mr. BOTHWELL: I appreciate that, but the report is that most of these machines are smuggled into the country in the first place.

Mr. MATTHEWS: That is just a general report?

Mr. BOTHWELL: That is a general report, and I would like to know if the minister has any information to give the committee in that connection.

Mr. MATTHEWS: I have no information, but certainly I will investigate the matter.

Mr. BOTHWELL: These machines are being seized by the police all the time, an odd one here and there, and it seems to me it is a matter that should be looked into by the department.

Mr. ELLIOTT: The minister will recall that when his estimates were before the committee a year ago there were certain questions pending with regard to the powers of the tariff board and certain rulings given by them. Have any fresh disputes arisen which have been submitted to the supreme court since that time?

Mr. MATTHEWS: No.

Mr. VALLANCE: It has been drawn to my attention that it is impossible for a person to buy a car in the United States and import it into Canada. I should like to ask if that condition exists to-day.

Mr. MATTHEWS: There is nothing to prevent a person from buying a car in the United States and bringing it into Canada, on paying the duty, so long as it is not a used car.

Mr. DONNELLY: What do you mean by a used car? How long must it be used to become a used car?

Mr. MATTHEWS: A used car is one not manufactured during the current calendar year.

Mr. VALLANCE: Then I should like to place a case before the minister, that of a Canadian citizen temporarily in the United States who buys an automobile which he drives for eight or ten days. Then he crosses the border. Is it possible for him to bring

that new car, which he has driven for a week or ten days, into Canada if he pays the duty?

Mr. MATTHEWS: Certainly.

Mr. LUCHKOVICH: I should like to ask a question in connection with this matter of cars. When I was in Chicago last Easter I saw a Chrysler car advertised for $495. When I came back to Ottawa I saw the same type of Chrysler car selling for something around $900. Will the minister explain the reason for that difference in price? What elements enter into the price of the car in Canada? If that is the same car I saw here in Ottawa I should like to buy it in the United States and bring it here, because I would save about $200 or $300 by doing so.

Mr. JACOBS: I suggest that the minister invite the hon. member to see him in his office to-morrow in order to discuss the matter fully.

Mr. HANSON (Skeena): I should like to ask the minister a question with regard to the regulations issued to the collectors of customs. In the case to which I am referring a man bought a radio in the United States. It came to the customs in the ordinary way and he paid the customs duty, which I presume was levied according to the instructions issued to the collector at that port. Six months later he received a letter from the collector saying there was $40 more to pay on the radio. It seems to me that when that person bought that radio in good faith and had it shipped in the ordinary way, paying the duty demanded at the time it arrived in the country, he should not be asked to pay an additional sum six months later. I should like the minister to explain how such a thing can occur. It seems ridiculous, but I know it to be a fact. I should like to know if the customs officers can collect an additional duty six months or a year later.

Mr. MATTHEWS: If my hon. friend will give me the name and the port of entry I will certainly investigate.

Mr. HANSON (Skeena): The port of entry was Prince Rupert. I do not know the name, but I shall be only too glad to secure it, because I know that occurred last year; the man was asked to pay an additional duty six months after he received the goods. If the minister will take up the matter I will secure the information and see him later.

Mr. MATTHEWS: Certainly.

Mr. BOTHWELL: I should like to ask one other question in connection with our old friend gasoline. Some time ago the fixing of values for duty purposes was done away with. In the importation of gasoline from the United States are there any imposts other than the duty of 2½ cents a gallon?

Mr. MATTHEWS: There is the special excise tax and also the sales tax.

Mr. BOTHWELL: Anything else? Is there anything in the way of dumping duty in addition to the 2½ cents per gallon?

Mr. MATTHEWS: That would depend upon the facts of the case, after investigation. If the gasoline is being dumped of course the dumping duty would apply.

Mr. BOTHWELL: Has the minister any record of recent imposition of dumping duties on gasoline brought in from the United States?

Mr. MATTHEWS: There may have been but I could not tell without looking it up. There is no fixed value. No general action has been taken, but there may have been a particular case.

Mr. BOTHWELL: I would be able to get that information by writing the department?

Mr. MATTHEWS: Yes.

Mr. VALLANCE: It is not clear in my mind yet as to just how the duty is applied on a car imported from the United States. I am a private citizen of Canada; I go to the United States and buy a new car, which I run for five, seven or ten days. Then I come to the port of entry. I want the minister to tell me the duty that must be paid on that car by me, a private citizen, and if there is any difference between that and the duty paid by an importer of cars.

Mr. MATTHEWS: In the instance given by my hon. friend he would pay the duty on the retail list price. In the other case, if my hon. friend is referring to a dealer in cars, the dealer would pay the same rate of duty on the list price less twenty per cent.

Mr. VALLANCE: Then am I to understand from the answer given by the minister that it is possible for me, a private citizen of Canada, to import from the United States a new car that has been used for five, seven or ten days and, on paying the duty, bring it in to Canada as a new car? Can I do that as a private citizen?

Mr. MATTHEWS: Yes. I think I gave that information to the hon. gentleman a few moments ago. He can do that.

Mr. VALLANCE: Is it correct in practice? Does your department permit that?

Mr. MATTHEWS: The commissioner of customs says we are doing it every day.

Mr. VALLANCE: I do not like to mention specific cases, but I know of a specific case where a private citizen of Canada was not permitted to import a car from the United States. I think the minister's officials at least have knowledge of the case. It was a new car, used for perhaps about seven days before the attempt to import it into Canada.

Mr. MATTHEWS: Was this a recent case?

Mr. VALLANCE: Quite recent, yes.

Mr. MATTHEWS: If the member will give me the facts in confidence I shall be pleased to look into them.

Mr. HANSON (Skeena): A friend of mine received a Christmas present from Europe, consisting of a cigarette lighter which cost about 30 cents, or, as the invoice which I have in my possession indicates, one krone and ten ore. He received a letter indicating that the gift had been forwarded to him, and when it arrived at the customs office he was asked to come down and clear it. Before he could get it out of the hands of the customs officials he had to pay $1.76, for which I hold the receipt. How could any customs official arrive at that amount as the duty payable on an article of that value? How do they set their valuations? Is it a dumping duty or some other kind of duty?

Mr. MACKENZIE (Vancouver): A Christmas duty.

Mr. HANSON (Skeena): I should like to know how the amount would be arrived at, especially in view of the fact that the invoice was sent with the lighter, and that a receipt was given for the amount paid to the customs.

Mr. MACKENZIE (Vancouver): A burning shame.

Mr. MATTHEWS: I do not know what to say about that. I cannot conceive of a duty being imposed such as the hon. member has mentioned.

Mr. HANSON (Skeena): I can produce the receipt and the lighter.

Mr. MATTHEWS: I can scarcely credit so high a duty on an article costing 30 cents. However, there are 5,500 employees in the department, and of course the human element will enter into all matters of administration. Sometimes mistakes are made. But I shall be very glad to look into the matter. I should like to have the document the hon. member mentioned.

Mr. HANSON (Skeena): I shall give it to the minister.

Mr. VALLANCE: In the opinion of the minister or the officials in front of him, how long has a citizen of Canada visiting the United States and buying a car there to be the possessor of it before it is considered second hand, for purposes of importation into Canada?

Mr. MATTHEWS: I cannot have made myself clear to the hon. member.

Mr. VALLANCE: I do not think the minister did.

Mr. MATTHEWS: What I intended to say was this: My officials inform me that if a Canadian goes to the United States and buys a new car, no matter how far he may have driven it, he may bring it in upon payment of duty. He cannot, however, buy a second hand car and import it. Is that clear?

Mr. VALLANCE: That is not the point. Suppose a private citizen of Canada—not a dealer, but a common every day Canadian citizen—goes to the United States, buys a new car and imports it into Canada. Can he do so, no matter how far the car has travelled in the United States or how long he has had it?

Mr. MATTHEWS: Provided it is a new car, yes.

Mr. VALLANCE: Would the minister give me a definition of a new car?

Mr. MATTHEWS: I have given the definition twice, but I shall give it again. A new car is a car manufactured in the calendar year in which it is purchased.

Mr. VALLANCE: And imported.

Mr. MERCIER (St. Henri): That would apply even if the man used the car for six months in the United States?

Mr. MATTHEWS: Yes, certainly. If he is in the United States and buys a car this year he may use it for six months over there and then bring it in as a new car and pay duty on it.

Mr. CAMPBELL: Suppose he buys in the following December a car made in January, is it still considered a new car?

Mr. MATTHEWS: If it is a new car, that is, if he buys it as a new car.

Mr. CAMPBELL: But suppose it has been used during the year by someone else?

Mr. MATTHEWS: No.

Mr. STEWART (Leeds): That would be a second hand car.

Mr. TOTZKE: Suppose a car is manufactured in December, 1934, and it is bought from the warehouse in January, 1935, would the car be new or second hand? The car I have in mind has never been out of the warehouse.

Mr. MATTHEWS: I am told that that would be prohibited importation.

Mr. DONNELLY: I understand it makes no difference what price the private individual may pay for the car in the United States; he must pay the duty on the retail price. He may buy it at the wholesale price, but that does not make any difference because when he comes to the boundary line he has to pay the duty on the retail price of the car in the United States.

Mr. MATTHEWS: Only a dealer may obtain a dealer's discount when bringing a car in.

Mr. DONNELLY: Suppose I go across the line and buy a car for which I have paid only the wholesale price, as shown by an invoice in my possession; when I come to the boundary line I understand I have to pay duty on the retail price. It seems to make no difference when I state the price I paid for the car.

Mr. MATTHEWS: You pay the duty on the fair market value as sold for home consumption.

Mr. BOTHWELL: If I had gone to California last November, bought a car in that state, and came back to Canada this month, I would not be permitted to bring it into Canada, although I had driven it those three or four months?

Mr. MATTHEWS: The hon. member is quite correct.

Item agreed to.

DEPARTMENT OF FINANCE

Salaries, $293,957; contingencies, $33,026.
Inspector General of Banks—
Salaries and contingencies, $22,000.

Mr. MACKENZIE (Vancouver): Is it the intention of the Department of Finance to disclose to hon. members complete information with respect to the newly formed Bank of Canada, its officers, the salaries of the staff, and such other information as might be deemed to be in the best interests of the public service?

Hon. E. N. RHODES (Minister of Finance): That is a comprehensive question, involving a matter of major policy. In the past we have followed a policy of marked distinction in dealing with separate bodies, although such bodies may have been set up by parliament. I should say that it would be quite fitting and proper that the salaries of the officers named in the first instance should be disclosed. But the minutiae of the cost of management, the salaries of individual employees, how much ink they use, how much sealing wax and that sort of thing—I do not use that illustration for the purpose of making the question of my hon. friend appear ludicrous, because it is a perfectly fair question; I merely carry it to that extreme point as indicating that the intimate and minute details of the management of the bank would not I think be a proper subject for inquiry and disclosure as a matter of course. That is at the moment my reaction to the question put to me by my hon. friend, but I should like to turn it over in my mind a little further before I give him an official and final answer, because it is a question of policy which should be settled on a basis satisfactory to the house and to public opinion generally, rather than one which should be permitted to become a matter of controversy as to how far we should or should not go in the disclosing of information. I would prefer, therefore, that my hon. friend should not at the moment press for a minute or detailed reply to his inquiry; before the session is over I shall be quite prepared to make a statement as to government policy in the matter.

Mr. ELLIOTT: Does the salary of the superintendent in bankruptcy come under Finance?

Mr. RHODES: Yes, under another item.

Mr. ELLIOTT: The question I wanted to ask is similar to one I asked a year ago, and perhaps it will save time if I mention it now. When the superintendent of bankruptcy was being appointed it was suggested by the minister who was piloting the bill through the house that it was hoped the result of this appointment would be to reduce the cost of bankruptcy proceedings and that the creditors would get a greater percentage of their claims than they had previously been receiving. I was anxious to know if the minister could give me for the past year a statement of these amounts: What were the claims filed, the total

amounts of the assets of the bankrupts, and the amount that actually reached the hands of the creditors?

Mr. RHODES: I merely called this item of civil government to-night, Mr. Chairman, for the purpose of qualifying the department. I did not come prepared to answer questions with respect to details of bankruptcy, because that item will be called on another occasion, when, if this will be satisfactory, I shall be pleased to give my hon. friend an answer to the question he has put.

Mr. ELLIOTT: That will be quite satisfactory.

Mr. TOTZKE: Has this item any relation to the comptroller of the treasury?

Mr. RHODES: That comes under another item, but I have no objection to my hon. friend putting his question on this item.

Mr. TOTZKE: Is there anything in this vote dealing with the comptroller of the treasury?

Mr. RHODES: Not specifically.

Mr. TOTZKE: That is under another item?

Mr. RHODES: Yes.

Mr. DONNELLY: Who is doing the work that was done last year by the tariff adviser?

Mr. RHODES: That is an added obligation resting on the shoulders of the remainder of the staff.

Mr. CASGRAIN: We will take note of that.

Item agreed to.

Miscellaneous—
To provide for hospitality in connection with visitors from abroad, $5,000.

Mr. SPENCER: Why the decrease in this item?

Mr. RHODES: It is more in conformity with the average amount that is required.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 13, 1935

The house met at three o'clock.

VACANCY

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

[Mr. Elliott.]

Of Armand Renaud LaVergne, Esquire, as member for the electoral district of Montmagny, by decease.

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

THE LATE ARMAND LAVERGNE

Mr. SPEAKER: I have the honour to inform the house that I have received, through the honourable the Secretary of State, letters from l'Association Nationale des Vétérans and l'Union Conservatrice de Limoilou joining with parliament in the expression of sympathy for the decease of Mr. Armand LaVergne, Deputy Speaker, and I now table these letters to form part of the records of the house.

PRIVATE BILLS

REFERENCE TO COMMITTEE ON STANDING ORDERS

Mr. C. W. BELL (West Hamilton) moved:

That the petition of Mania Leizerson Oberman, presented on the 7th instant, praying for a bill of divorce from Samuel Oberman, together with the report of the clerk of petitions thereon, be referred to the standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

CANADIAN MARCONI COMPANY

Mr. J. A. SULLIVAN (St. Ann) moved the first reading of Bill No. 27, (Letter B of the Senate) respecting Canadian Marconi Company.

Some hon. MEMBERS: Explain.

Mr. J. A. SULLIVAN (St. Ann): Mr. Speaker, I believe a full explanation is given on the second page of the bill. Section 1 provides for an increase of directors from nine to eleven. Then, in section 2 the words underlined are new, and are as follows:

And also such other articles as may be conveniently manufactured in the plants of the company.

Then section 3 is explained on the second page of the bill.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CIVIL SERVICE COMMITTEE

Mr. CHEVRIER:

1. Will the special select standing committee of the civil service be convened during this session?

2. Will the government during the present session take any action with reference to the recommendations made last year by the select standing committee of the civil service?

Mr. CAHAN: Mr. Speaker, in reply to question No. 1, I would say that there is no standing committee of the civil service. There was a select committee which sat during the last parliamentary session, but no reappointment has been made. With regard to the second part of the question I would say that the government's attitude will be made known when action is taken.

JOUBERT, QUE., POST OFFICE

Mr. POULIOT:

1. At what date was the post office at Joubert, Matane county, established?

2. Who has been carrying the mail from Sayabec to Joubert since the establishment of the post office, and on what conditions?

3. Who is carrying the mail at present and what is his address?

4. At what date did he sign his contract?

5. How much does he receive?

6. Who recommended him to the department?

7. Did he obtain his contract after regular tenders had been called?

8. If so, what tenders were received by the department?

9. If not, why was he awarded the contract without tenders being called?

Mr. SAUVE:

1. November 15, 1922.

2. J. Gagnon, from November 15, 1922, to September 30, 1934, at $200 per annum, and G. Boucher, from October 1, 1934, to date, also at $200 per annum.

3. G. Boucher, of Sayabec, P.Q.

4. July 13, 1934.

5. $200 per annum.

6. J. H. LaRue, M.P.

7 and 8. No.

9. The Postmaster General, under the statutes, has power to award contracts at $200 per annum or under, without calling for tenders.

WAR BORROWINGS

Mr. SPENCER:

1. What were the total Canadian government borrowings for war purposes from August, 1914, until mobilization was complete: (a) amount borrowed in Canada; (b) amount borrowed in Great Britain; (c) amount borrowed in United States?

2. What was the total amount of said borrowings by bond, issued free of taxation?

Mr. CAHAN (for Mr. Rhodes):

1. Taking November 11, 1918, as the date on which mobilization was complete, the total borrowings (net) under war appropriation acts were: (a) In Canada, $1,447,138,558.44; (b) in Great Britain, nil; (c) in United States, nil.

2. $1,339,526,528.91.

PATROL BOAT GANNET ROCK

Mr. VENIOT:

1. Was Captain Nelson removed from patrol boat Gannet Rock?

2. If so, why?

3. Was the notice of his dismissal forwarded direct from the department in Ottawa?

4. Did the department receive any letters recommending the retention of Captain Nelson as captain of such patrol boat?

5. Did Harry Gray, a returned soldier, apply for a position as third man on such patrol boat?

6. If so, why was he not appointed?

Mr. STIRLING:

1. Yes.

2. Inefficient service.

3. The chief supervisor of fisheries for the division was instructed by the department to replace him.

4. One letter.

5 and 6. Mr. Gray's employment was considered but he was not regarded as being qualified for the kind of work involved.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PACIFIC COAST TERMINALS LIMITED

On the question:

Mr. WOODSWORTH:

1. What amount of money was advanced, directly or indirectly, to the Pacific Coast Terminals Limited, situated at New Westminster, British Columbia, by the dominion government of Canada?

2. Did the Canadian National Railways sell, lease or in any way enter into any transaction with the Pacific Coast Terminals of New Westminster, British Columbia, in respect to water front property: (a) if so, of what nature and terms was the transaction?

3. Has any official or director of the Canadian National Railways been also and at the same time a director of the Pacific Coast Terminals Limited: (a) if so, who; (b) if so, during what period of time?

4. Is the government aware of the auction sale of the Pacific Coast Terminals Limited at the court house, Vancouver, to satisfy a judgment secured by the Montreal Trust Company: (a) if so, what action did the government take?

Mr. MANION: Mr. Speaker, I have no objection to this passing as an order for return on the condition, of course, that we will obtain from the Canadian National Railway all the information we can in the matter because we have not the information in the department and we have to apply to the railway for it. On that condition I have no objection to this question passing as an order for return.

Mr. WOODSWORTH: May I suggest that at least some of the information asked for should be in the possession of the government.

Mr. MANION: Whatever we have will be gladly brought down, but I was referring to the information which we would have to obtain from the Canadian National Railway.

WEEKLY JOURNAL, "CANADA"

Mr. POULIOT:

1. From August 1, 1930, until now, did the Canadian government subsidize in any way, shape or form, directly or indirectly: (a) the illustrated weekly journal entitled "Canada," and (b) another one entitled "Canada's Weekly"?

2. If so, how and through whom was it done and what was the total amount paid in that connection?

CIVIL SERVICE APPOINTMENTS

Mr. McKENZIE (Assiniboia):

1. How many appointments have been made by the Civil Service Commission or by the government since July, 1930, at salaries of $5,000 or over?

2. What are the names of such appointees and what positions do they occupy?

3. What are the names of all civil servants and of government employees outside of the civil service who have been given increases of salaries of $500 or more since July, 1930?

PRICE SPREADS COMMISSION

Mr. GOLDING:

1. What were the dates of the days for which Mr. Norman Sommerville, K.C., was paid other than the days on which the committee or commission on price spreads and mass buying held public sittings?

2. Who was assistant counsel for the committee and commission on price spreads and mass buying?

3. What was this assistant's remuneration per day?

4. What was his expense allowance per day?

5. What was the total sum paid this assistant for his services and expenses?

6. How many auditors or firms of auditors were employed by the committee or commission on price spreads and mass buying?

7. What was the total amount paid to each auditor or firm of auditors for services and expenses?

8. What were the names of all investigators employed by the committee or commission on price spreads and mass buying?

9. What particular matter did each one investigate?

10. What was the total amount paid to each investigator for all purposes?

11. What is the total cost of this inquiry up to this date?

UNEMPLOYMENT RELIEF CAMPS

Mr. MACKENZIE (Vancouver Centre):

1. What prices are paid in National Defence camps at Spences Bridge and other neighbouring camps for: (a) potatoes; (b) carrots; (c) cabbage; (d) onions?

2. From whom have such supplies been received during 1934 and 1935?

3. Are the prices paid the best available in this district?

AIR SERVICE PROPERTY

Mr. REID:

1. Has the government acquired, any properties or options, either to purchase or lease any land or property for air service purposes, in the province of British Columbia or are any negotiations being carried on regarding this?

2. If so, what properties, options or leases have been so acquired or are at present under negotiation, giving the names of the owners of properties, cost of same, location and terms of leases acquired or in process of negotiation?

SANTO DOMINGO TARIFF

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, before the orders of the day are called I want to ask the Minister of Trade and Commerce (Mr. Hanson)—I want to apologize because having received these telegrams only a few moments ago I was unable to get into communication with him before the house opened—if he has received any representations from people interested in the fish business or the potato business or the onion business in Canada calling his attention to the fact that prohibitive duties are being placed on these three articles by the Santo Domingo government?

I have a cable here from my agent in Santo Domingo, a man named Lockie, who wires me that on Saturday the Santo Domingo government imposed prohibitive duties on fish stuffs, also potatoes and onions. He states that the loss to the maritime provinces will be at least a quarter of a million dollars annually, and that the duty on a drum of fish, which as the minister knows is 128 pounds, was formerly $1.30 and is now under the new duty $10.15; the duty on a bag of potatoes was formerly 83 cents and now is

$2.90, and the duty on onions is similar. The telegram goes on to say that Pickford and Black have also telegraphed the minister.

I have also received a telegram from Pickford and Black in regard to this matter. As the minister knows Pickford and Black Limited have a line of boats running from Halifax to Jamaica, Santo Domingo and other ports in the West Indies. The telegram from Pickford and Black to me states:

Lockie—

That is the agent at Santo Domingo:

—has wired you in connection with Santa Domingo increase in duty. This will mean serious loss to fishermen Nova Scotia, New Brunswick and Magdalen islands. For your information we have wired Minister Trade and Commerce also Finance requesting them to take matter up with Santo Domingo government or through trade commissioner at Cuba or Jamaica. Would appreciate your efforts in matter as one vitally affecting the maritimes as well as Quebec fish industries.

May I ask the minister if he has received representations with respect to these new duties and if he has consulted with the government, and if so what action will be taken in the matter?

Hon. R. B. HANSON (Minister of Trade and Commerce): Mr. Speaker, in answer to the hon. member I would say that a telegram was received this morning from Pickford and Black, but no other communications so far as I am aware have been received. The matter is being given immediate attention by the commercial intelligence branch and I may have something to say a little later, but I can assure my hon. friend that we have lost no time in making inquiry.

ROYAL CANADIAN MOUNTED POLICE

DENIAL OF CHARGES OF IMPROPER METHODS IN NEW BRUNSWICK—ROYAL COMMISSION TO INVESTIGATE

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, during the sitting of the house last evening when unfortunately I was not present, my hon. friend from Gloucester (Mr. Veniot) made certain statements during a discussion of the estimates of the Department of National Revenue which cast somewhat serious reflections upon the Royal Canadian Mounted Police or upon that part of the force which is operating in the province of New Brunswick.

I think it will be remembered also that during the last session of parliament, that is for 1934, on the twelfth of March of that year, my hon. friend from Gloucester made two allegations on that occasion in regard to the Royal Canadian Mounted Police, one in respect of third degree methods which he alleged had been practised by the Royal Canadian Mounted Police in regard to prisoners, and another charge in regard to certain boats under the control of the mounted police in the harbour of Bathurst. At the time that these were made last session I promised that an investigation would be made in both cases. Investigation was made, but as is customary within the force it was conducted by the force itself. A copy of the investigation was subsequently handed to the hon. member for Gloucester and I heard nothing further about it.

Mr. VENIOT: Not a copy of the investigation about the boats.

Mr. GUTHRIE: Then on the fifteenth day of February during the present session the hon. member for Gloucester again made a charge that third degree methods had been practised in the province of New Brunswick with respect to a prisoner of the name of Williamson, and intimated on the same occasion that there were certain other grave irregularities in regard to the seizure of a vessel known as the Paul T. He also intimated on that occasion that he was not satisfied with the investigations that were being conducted, particularly by Inspector Salt, who is the officer in command of the Royal Canadian Mounted Police force in the province of New Brunswick, and I intimated to him at that time that further investigation would be held if he so desired. I may say that the investigations which have been held and reported to me in respect of the charges made last session show that the allegations were entirely without foundation.

The allegation made last night was rather more serious perhaps in one aspect than those made previously, and in order that no exaggerated idea of the incident may take possession of the public mind I wish to state that the vessel Paul T was seized under the provisions of the New Brunswick Liquor Act. Subsequently the attorney general of the province of New Brunswick transferred the whole matter to the Department of National Revenue to be dealt with by that department. Under the provisions of the Customs Act it is provided by section 139 that the Minister of National Revenue may order "vessels, goods, vehicles or things forfeited to be disposed of as he sees fit, instead of being sold by public auction." On the 20th of November, 1934, a letter was dispatched from the chief clerk of

the commissioner of customs to the commissioner of the Royal Canadian Mounted Police in the following language:

Sir,—

Re: R.C.M.P. Customs Seizure No. 74293/3596

Referring to the above-numbered seizure of the vessel Paul T and cargo of liquor, you are advised that official advice has been received from the attorney general of the province of New Brunswick that the province waives all claim to the vessel Paul T and cargo, which have been forfeited to the crown in the right of the province.

In view of this confiscation it will not be necessary to formally render decision in the matter.

It will now be in order to proceed with the destruction of the vessel and cargo.

Yours truly,
C. H. Callback,
Chief Clerk,
for Commissioner of Customs.

Acting upon that authority and pursuant to the Customs Act the vessel was destroyed as well as the cargo. The charge is made that in the carrying out of these instructions ship's stores were also destroyed. It may be that there is a technical distinction between cargo and ship's stores, but ship's stores were destroyed. An inventory of the stores was taken at the time and the valuation put upon these stores was $44. I have the inventory here.

Mr. VENIOT: Read it. I want to have it on the record and I think I should have it.

Mr. GUTHRIE: It is as follows:

½ barrel pork.
1 gallon jug molasses.
1 small jug vinegar.
1 bucket full of sausages.
1 bucket half full lard.
40 cans tomato soup.
5 packages yeast cakes.
5 pound can baking powder.
15 pounds butter.
31 quarts milk.
3 cans peas.
2 cans tomatoes.
19 packages macaroni.
1 bottle vanilla.
7 bottles lemon extract.
6 packages rice.
2 pounds black pepper.
1 pound soda.
1 pound salt.
30 seven-pound bags flour.
4 twenty-four-pound bags flour.
60 pounds white sugar.
8 pounds tea.
6 pounds coffee.

All these goods were six months old.

The value of these stores was put at $44.

Mr. VENIOT: Would the minister permit a question?

Mr. GUTHRIE: Will my hon. friend allow me to make my statement? I shall be as brief as I can.

[Mr. Guthrie]

A portion of these ship's stores was condemned as not being in a condition to be used as human food. It was stated also that one hundred and fifty people watched the destruction of these stores and asked that they be given the stores as food. It was stated that these people were on relief but I am informed that there were only fifteen children and three adult people present. The government of New Brunswick must also be included in the record as the statement is made that no person in this locality was on direct relief between May 1 last year and January 1 of this year. I mention these things because I believe an exaggerated idea has gone out through the country with regard to the destruction of the ship's stores. Whether or not these stores were technically a part of the cargo, they were treated as part of the cargo by the members of the police force and were destroyed. This matter has been given prominence in the newspapers and the reputation of the Royal Canadian Mounted Police is so high, not only in Canada but throughout the world, that the officers naturally resent any reflection being improperly cast upon the force. They desire to have this matter cleared up at the earliest opportunity.

As he stated yesterday, the hon. member for Gloucester is making his charges on his honour as a member of this house. He has intimated that he will not be content with an investigation carried on at the instance of Inspector Salt, who is in charge of the force in that province. Therefore, the government has decided to appoint a royal commission to inquire into the two charges made last March and the two charges made during this session. For this purpose the government will appoint to-morrow the chief justice of the province of New Brunswick as royal commissioner to make an inquiry into these charges.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, on a question of personal privilege I desire to meet the statement made by the Minister of Justice (Mr. Guthrie). In the first place, let me point out to him that he did not submit to me the report of the investigation in connection with the patrol boats.

Mr. GUTHRIE: I have it here and if my hon. friend wants it, I will submit it.

Mr. VENIOT: My hon. friend made the statement that he had submitted to me the report of the investigation which was held in connection with my statement about the patrol boats. I have not received this statement.

In connection with the third degree matter, I think I am justified in asking for a further investigation. In connection with the patrol boats I am prepared to put my seat at stake. I saw these patrol boats tied to the wharf in Bathurst for three days while the sailors paraded the streets day and night with the young girls of the town. I know what I am up against and I am willing to put my seat at stake. I am up against the worst element which could be introduced into the mounted police of Canada. I am up against men who would not hesitate—I say this on my honour as a member—to take a false oath in order to protect themselves. I make this statement boldly and I know whereof I speak. I welcome an investigation by a royal commission but I say to the minister that this investigation should be thorough. I will be prepared to conduct it on behalf of those who are making the charges. Let the minister arrange that this investigation be held at a time when I can be present. I can summon witnesses but I do not intend to engage counsel to defend the statements I have made on the floor of this house. I hope to be there to defend them myself.

Let us deal with the statements I made last night. I made those statements in all seriousness and the minister's remarks have borne out what I said. I did not say how many stores were destroyed, I simply said that they were destroyed without any authority from the department. The Minister of National Revenue (Mr. Matthews) has stated that no specific instructions were issued for the destruction of these stores. I stand by my statement that there were one hundred and fifty people present and I do this despite any statement made by the mounted police of my county. I say that the people interfered and almost prayed that these goods be not destroyed, but their pleas were not heeded. I am not a lawyer but I think the Minister of Justice will agree that the statement that I am about to make is correct. There was no authority to destroy ship's stores or to classify ship's stores as cargo.

The charge of smuggling which was brought against the owners or the captain of the Paul T by the dominion government was dismissed by one of the highest courts of the country. The captain was charged in the magistrate's court with having in his possession liquor not purchased from the liquor commission of New Brunswick. Under this charge he was committed to gaol as he had liquor on board his vessel which had not been bought from the liquor commission of New Brunswick. Under the laws of that province covering the sale of liquor, anyone in possession of liquor on board a craft of which he is in charge and which has not been purchased from the liquor commission is subject to fine or imprisonment. The vessel is also subject to confiscation along with its cargo. The liquor was part of the cargo. I claim that the attorney general of New Brunswick had no right under the law to transfer the jurisdiction of the province to the customs department of the dominion government, and that this action places the dominion in this position, that the question will become an international one and may cost the country fifty or sixty thousand dollars before it is disposed of. For that reason I felt, as a member of this house, that I was acting in the interests not only of my own people in Gloucester but of the dominion as a whole in directing the attention of the government to what I regarded as an illegal act on the part of the attorney general of New Brunswick in transferring the jurisdiction of the province to the dominion by means of a simple letter. Last night when the question was under consideration I asked the Minister of National Revenue whether they had authority to do this and his reply was, "We have nothing to do with it; you will have to go to the Justice department." Now the minister says that the whole authority was vested by the attorney general of New Brunswick in the department of customs. Who is right—the Minister of National Revenue or the Minister of Justice? I claim, Mr. Speaker, that neither of them is right; they know that they are wrong. Legally they are wrong. I am not a lawyer; I may be what is called a sea lawyer, but I may know more about these regulations with regard to the seizure of vessels than even some of the officials of the Department of National Revenue.

This vessel, let me point out, was a ship in distress. Her foremast was broken in a storm. She had an auxiliary engine aboard and that went wrong, so that she was at the mercy of the winds and the open sea, miles from the shore. Her captain raised his flag of distress, and to show the efficiency of some of the officers in charge of the patrol boat—what was my astonishment, as I sat in the court listening to what was going on, to discover that the captain of the patrol boat could not tell the court what a flag of distress was. He did not even know that. He claimed that the captain of the vessel had never raised the flag of distress, but when he was asked to give his definition of a flag of distress he could not do so.

An hon. MEMBER: Order.

Mr. VENIOT: Keep order yourself, or I will get the mounted police after you. This vessel, I repeat, was in distress and raised her flag of distress and the fishermen miles away approached her. He told those on board one of the fishing boats exactly what his condition was, as I have described—the foremast broken, split in two, the engine gone wrong. He wanted to be towed into a Canadian port. He had been driven out of his course—I am giving the evidence—and did not know exactly where he was. The fishermen told him that they could not tow him in, but they saw, rounding the east point of Miscou island, a patrol boat and they told the captain, "There is a government patrol boat." The captain waited until the patrol boat came up; he cast his anchor and waited. No attempt was made to hide what was in the vessel, but the captain gave the captain of the patrol boat a description of the contents of his vessel. He was told that there was thousands of dollars' worth of liquor on board; the manifest was produced, the clearance of the vessel was given the patrol officer, and the hatches were sealed. The captain of the patrol boat said, "Yes, you are a vessel in distress; I will take you to the first Canadian port, the port of Shippigan." They took him there and his vessel was tied to the wharf, but he had not been waiting more than half an hour before the local mounted police came with a warrant and arrested the captain and his crew for having liquor in their possession without a permit from the liquor board of the province —not for smuggling. The smuggling case was tried afterwards and was thrown out by the jury, and on that count the captain and his crew were freed.

The Minister of Justice says that my statement against the mounted police is derogatory to the service all over Canada. I differ from him on that point. I indicated, when I made my statement, why I was making the charges. On the floor of the house, speaking from my place, I said that I had every respect for the old mounted police, but I deprecated the idea of there being placed in the force men who are acting in such a way as to bring disgrace to the renowned mounted police of the past. And that is what is happening in my county; that is why I oppose it. The Minister of Justice says that I refused to accept Captain Salt as an investigator. Yes, I refused to accept him as an investigator because, as I stated in my place in this house, in many ways he is not qualified. Let me give an instance, since we are going into it—and I am only dealing with Captain Salt.

[Mr. Veniot.]

Mr. SPEAKER: I must interrupt the hon. member. I am sure the house desires to give him every opportunity of stating any matter which arises out of the question of privilege, but I would ask him to bear that in mind and stick to the question of privilege raised, without discussing any evidence that may have been given. I do not think that the hon. member should continue along the line which apparently he intends to follow.

Mr. VENIOT: I refer to Captain Salt because in the investigation he claimed that no statement I had made in this house had been justified—I had made false statements. Under these circumstances I have a perfect right to reply to such charges against a member of this house, and I have a right to give the reasons why I cannot accept anything that Captain Salt reports. I claim that he is not qualified to carry out such an investigation. On August 16, 1933 the Prime Minister of this country and myself were guest speakers at a big reception in St. John, and we—

Mr. SPEAKER: Order.

Mr. VENIOT: I am coming to Captain Salt.

Mr. SPEAKER: I desire to give the hon. member every opportunity to state his position, but in a matter of this kind he should not refer to something that happened in 1933 which does not arise in connection with the question of privilege now before the house.

Mr. VENIOT: I made a mistake, Mr. Speaker, I should have said August 16, 1934, after he had made the investigation with respect to the statements I had made in this house. The Prime Minister of this country and myself were guest speakers—

Some hon. MEMBERS: Order.

Mr. VENIOT: —or rather the principal speakers—

Some hon. MEMBERS: Order.

Mr. VENIOT: One moment now; I am not saying anything against the Prime Minister. Don't be so touchy. We both spoke that afternoon to about twenty thousand people in the city of Saint John. There was no politics in the matter at all. But at noon of that day a luncheon was going on in the Union club—

Mr. SPEAKER: I must ask the hon. member not to speak of matters that are irrelevant. I should be glad if he would kindly confine himself to the point at issue. I am willing to give him every latitude in putting forward his question of privilege.

Mr. VENIOT: I am coming to that. On that day at the Union club I was approached by a gentleman, Captain Salt.

Some hon. MEMBERS: Order.

Mr. VENIOT: What is the matter with that? I think we had better have the mounted police here. I was approached by Captain Salt. I was with three friends, and I might say we had a cocktail before going into the lunchroom; in fact I had my glass in my hand when a man approached me and tapped me on the shoulder. I looked around; I did not know the man and had never seen him before. He said, "Look here, Peter; you and I are sufficiently well acquainted that I may call you by your Christian name." I looked at him and said, "Who are you?" He said, "I am Captain Salt."

Mr. DUFF: He must have been at sea.

Mr. VENIOT: Yes, he must have been at sea. I said "I have nothing to do with you." He moved away, but the minute my three friends had separated from me, he again followed me up and tapped me on the shoulder. He said, "Do you want to know what politics I am in? Ask Premier Taschereau. I am as good a Liberal as ever walked on shoe leather." That is the man who I expect will investigate the charge I made on the floor of the house. I want the minister to bring Captain Salt as a witness now to disprove what I said, and I will bring three gentlemen from Saint John who can prove that what I say is true. Those are my reasons.

As to the royal commission I wish to say this: I said that I would welcome a royal commission. I am sorry that the Minister of Justice (Mr. Guthrie) has stated that the Chief Justice of the Supreme Court of New Brunswick will be the royal commissioner. I have no objection to the chief justice of New Brunswick, but when the people of my province review the case and find that I am being investigated by the chief justice of New Brunswick, no matter what his standing as regards integrity or probity may be, when it is considered that he and I have been the two bitterest political opponents in the province, I think the people will say, no matter what the verdict may be, that Veniot did not get a fair show. I am not at all afraid of the investigation; I am prepared to stand it, but I am drawing the attention of the Minister of Justice now to what the effect, no matter what the verdict may be, might be in the opinion of the people of New Brunswick when it is considered that the gentleman occupying the high position of chief justice of the supreme court of that province and I have been the bitterest political opponents that can be found there.

In conclusion I would say: Let the minister bring on the investigation, but give me time to prepare for it. Let him not have it at a time when I may be engaged in a contest in the coming election and when I shall not be in a position to summon the witnesses I want to bring. Let him give me the investigation, and whether it is held before the election or after, when I am returned to parliament, if I cannot prove beyond doubt ninety per cent of what I state in the house, I shall be willing to put my seat at stake and retire from public life.

EIGHT HOUR DAY

BILL TO LIMIT HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS

The house resumed, from Monday, March 11, consideration in committee of Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the general conference of the international labour organization of the League of Nations, in accordance with the labour part of the treaty of Versailles of 28th June, 1919—Mr. Gordon (for Mr. Bennett)—Mr. Morand in the chair.

Mr. GORDON: If I might have the committee's attention, clause 3 was one that was allowed to stand and probably we will make faster progress if we start with that clause and then take up the other clauses that were allowed to stand. With the consent of the committee I would like to revert to clause 3 because the Minister of Trade and Commerce will have an amendment to move. I believe when the legislation was drafted, a very important article of the convention was omitted from the bill.

The CHAIRMAN: With the consent of the committee, we revert to clause 3.

On section 3—Eight hours in the day, forty-eight in the week.

Mr. HANSON (York-Sunbury): I move:

That clause 3 be amended by adding thereto the following subsection as subsection 2:

2. The governor in council may define the line of division which separates industry from commerce and agriculture for the purpose of determining the employers and the employees to whom this act shall apply.

That is a provision which was in the convention, which was not carried by the draftsman into the bill and which we think ought to be in it.

Mr. DUFF: Before this subsection is discussed further I wish to read a telegram I received from Truro this morning. It reads as follows:

Dairy industry Nova Scotia wishes exemption from eight hour day legislation.
Dairymen's Association of Nova Scotia.

I shall say only a word because my throat is very bad. The Dairymen's Association of that province comprises thousands of dairy farmers. I call the attention of the minister to the fact that they are opposed to this legislation.

Mr. GORDON: I shall have an amendment to present to clause 10 which will take care of the situation that the hon. member mentions.

Mr. WOODSWORTH: Would the minister of Trade and Commerce give us the terms of the convention to which he refers?

Mr. HANSON (York-Sunbury): If the hon. gentleman has the draft convention—

Mr. WOODSWORTH: I have not.

Mr. HANSON (York-Sunbury): —at page 10, near the top, he will find this provision:

The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

So that we have followed almost in express terms the provision of the convention in this amendment.

Mr. MacNICOL: I wish to protest against the low voices in which the ministers are replying to the questions.

Some hon. MEMBERS: Hear, hear.

Mr. MacNICOL: This is a matter in which I am vitally interested, and I want to hear the replies.

Mr. HANSON (York-Sunbury): Shall I read again the provision from the convention?

Mr. LAPOINTE: No, we will read it in Hansard.

Mr. CHURCH: This eight hour day is an eight hour day or it is not an eight hour day. In the first place it applies only to a little over half the industries of the country. This is a form of Christian socialism, of the Kingsley - Keble - Shaftsbury - evangelical type and should be enforced without any provisos or restrictions or governor in council's orders or anything else. The act should have teeth in it to ensure it being obeyed. Federal officers should be charged with the enforcement of this law. We pass so many acts of parliament with absolutely no provision for enforcing them. We passed the Alien Labour Act but it was practically null and void because no action was taken to enforce it. The enforcement of a federal law is left to the attorney general of a province. If we are going to make this everyone's business instead of the business of some specific federal officer we shall not get much relief under this act. The city of Toronto has had an eight hour day law since 1919, it has taken the dominion parliament sixteen years to catch up. I should like to see the government go further and apply a five day week as a trial for one year to its own employees together with shorter hours so that the work may be divided up to aid unemployment, for simply as a matter of arithmetic that would make employment for more men, and a great many soldiers who are out of work. The more provisos you added to this bill the more difficult will be its enforcement. I see enforcement is going to be left with the provinces; in the larger municipalities it will be directly under the municipal police. In the city of Toronto sixty-five per cent of the police officers are almost exclusively engaged in regulating traffic, with the result that they have little or no time to go after evaders of federal laws. After all, these provisos providing for regulations by the governor in council in the interpretation of the act and the penalties would only serve the purposes of the opposition in their efforts to wreck this measure on the grounds of unconstitutionality. That purpose seems to be uppermost in the minds of the opposition, as in the case of the unemployment insurance bill. Unfortunately in this country the courts are subservient to the legislatures. I want to see this act enforced, and I do not want to see it made so wide as to prevent it being enforced. I believe we should have put into it a section 13, because this section has to be read together with the penalties that are to be enforced. In case of prosecution the lawyer for the defence may find loopholes through these orders in council. I believe this act should be enforced concurrently by the province and the federal authority. The federal power should do something to enforce its own social laws, not leave their enforcement to an outside authority. It is the function of government to care for the health and welfare of the people. We have learned of many cases of long hours and sweatshop conditions showing that the question of working

hours is in need of immediate overhauling. Such conditions as we have learned of should no longer be tolerated in this country. Many large corporations, when a case is brought against them in the police court, will be able to plead just such an amendment as this, with the effect of weakening the whole section. We know that many of these large corporations can engage lawyers to protect them in breaking the law. We should have an eight hour day act, but it should be free from any provisos, riders and restrictions so that objection cannot be taken when a summary conviction is made in the courts. It should be a summary conviction and there should be no appeal, and it should apply uniformly in all parts of the country.

Mr. WOODSWORTH: In connection with the point I raised, the minister quoted the convention as follows:

> The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

But in his amendment he provides that this shall be done by the governor in council. I submit that in this country parliament itself is the competent authority, not the governor in council.

Mr. MACKENZIE (Vancouver): Not necessarily.

Mr. WOODSWORTH: Not necessarily, but I urge that position; parliament is here the competent authority, and if there is any definition to be introduced it should be introduced in the act itself by this parliament, not left to the judgment of the governor in council, where it can be so readily amended to suit the convenience of certain big corporations. I think this parliament is the competent authority and ought to deal with the matter.

Mr. LAPOINTE: I believe that the competent authority in such cases is the province. Anyhow I would be against the governor in council; I agree with my hon. friend that it cannot be the governor in council.

The CHAIRMAN (Mr. Morand): Shall the amendment carry?

Some hon. MEMBERS: No.

Mr. MACKENZIE (Vancouver): On division.

Mr. MacNICOL: In this part of the chamber we could not hear what was being discussed.

Mr. POWER: Come down to the front benches; that is where you should be, anyway.

Mr. GARLAND (Bow River): In my opinion this amendment is but one further step towards making the bill of very little use. In the first place it never was of very much use, because over the great field of specialized industry to-day, where labourers are organized, the eight hour day is already in operation. In some industries, as hon. members have said, the hours are even shorter than that. Now we propose to establish the eight hour day, as a matter of law, with the possibility of forcing industries which have dropped below that level to revert to the provision for eight hours of labour. Furthermore this measure is based on a convention as old as unemployment insurance legislation. It is based on a convention which was drawn up at a time when eight hours was not the prevailing time of labour, and when periods very much in excess of that were common. It was not uncommon for men to work nine or ten hours. The eight hour day convention was ratified by the nations. Not necessarily due to that convention but rather because of economic conditions and the organization of labour, industries in various nations of their own volition adopted the eight hour day principle. I contend that to-day we have long passed the time when eight hour day legislation will do what it is intended to do, or will have any real effect upon the distribution of employment among those who need it.

Yesterday I gave some figures showing the appalling state of our country so far as the volume of unemployment is concerned. That that volume is likely to increase rather than to decrease is well known to any person who has any knowledge whatsoever of the development of modern science. I need not again direct the attention of hon. members opposite, who in the past few years have learned much about these questions, to the fact that the development of modern machinery has so rapidly displaced manual labour that even if we were to return to the productive activity of 1929 we would not, as has already been stated, be able to employ half of those now unemployed. It may not be remiss to remind hon. members of this fact. Mr. Ramsay MacDonald, in Great Britain, has admitted that there will be a tremendous number of unemployed and unemployable workers.

If work is to be the basis upon which a man is to secure the necessities of life, and if it is to be the basis of unemployment insurance, then obviously it is incumbent upon us as a parliament to pass legislation sufficiently drastic to enable the employment of the unemployed in useful and remunerative work. We cannot do that by passing an eight hour day

law; we might approach a solution of the problem by passing a six hour day law. Let me point out that even passing legislation fixing the minimum hours of labour will not be sufficient and will not completely remedy or solve our difficulty. It may alleviate it, and it would enable the distribution of the available amount of labour over the widest possible field.

It is only within the last comparatively few years that these great scientific changes of the significance of which many are now so complacently unaware have taken place. In Canada to-day there is enough steam power already developed to do the work of 15,000,000 men. The greater part of that energy is developed on the railways. Then there are two other forms of energy which have come into existence in our time, one of them the internal combustion engine, which revolutionized agriculture in every country in the world, and the other electrical energy, about which we know very little other than the fact that it has brought about an immense displacement of man power. The result is that in the United States of America about 115,000,000 man power is represented in electrical energy alone, already in active production of services. In the whole world there is a man power of about 1,500,000,000 represented in electrical energy. In Canada we are, in one respect, in a happy position in that so far as our potential power to produce electrical energy is concerned we rank among the first of the nations. So far we have only scratched the surface of that potential energy; as I speak it is running away to the sea in almost untold volumes. Last year we had a development available for production purposes of, roughly speaking, 7,500,000 horse power. One horse power of electrical energy can do the work which it would require ten men to do, therefore we have in Canada in that one form of power the equivalent of nearly 75,000,000 men. That means that, through that type of energy, with a population of less than 11,000,000 we could do the work of 75,000,000. Obviously with the development of artificial energy there will be a constant displacement of man power. That that displacement has already developed to an enormous extent can be seen by facts disclosed by investigators who have been working in economic and sociological work. For example, James L. Davis, formerly Secretary of Labour of the United States, has said that whereas a few years ago in the boot and shoe industry one man doing hand work could produce 100 pairs in one year, to-day the machine produces 1,800 pairs in a year, and only one man is required to operate it. He goes on to draw the following conclusion:

> Taking into consideration the equipment available for the production of boots and shoes in the United States to-day that country could produce in 17½ working days the entire year's requirements of boots and shoes.

What will the men do the remainder of the time? It is true they will produce some for export, but in view of the technological changes in the boot and shoe industries of all nations such export trade will not take up the slack.

Then, what about the men in the coal industry? In the United States, as in Canada, they can produce in six months one year's supply of coal, thereby leaving the men idle for six months, and giving them no work. In the motor industries the most extraordinary changes have taken place. I am glad to mention the motor industry at this time, because when we emerged from the war we found that in a technical sense Canada, Great Britain and the United States were potentially richer than when they entered it. We were richer because of scientific developments during the war years which had terrifically increased our productive capacity. The production of automobiles and radios served for a time to take up part of the slack. Rapidly, however, technical changes in both these industries had the effect of displacing them as fast as, in the first instance, it had employed them. I find that since 1922 in the motor industry 1,400 per cent more cars are being made with ten per cent fewer men. In the Buick plant of General Motors the daily production in 1923 had increased from 625 cars to 1,000 cars, despite a reduction of 5,000 men. To-day 30 men can do the work which required 100 men in 1914.

In the steel industry to-day seven men can do the work which 60 used to do in casting pig iron. Two men can do the work which 128 men used to do in loading pig iron. One man can do the work which 42 used to do in connection with the open hearth furnaces. Then, in the brick industry it used to take one man eight hours to make 450 bricks, while to-day a machine has been developed which in one hour will produce 40,000 bricks.

So we pass on from modern miracle to modern miracle. In the rubber tire industry 40 men to-day can do the work which formerly 100 men could do. So far as the internal combustion engine is concerned no estimate has yet been made as to the increase in the potential productivity of man. We find that

in Saskatchewan alone there are 41,104 tractors and combines which in the three prairie provinces have, as I have shown on previous occasions, displaced about 100,000 harvesters, and these machines have taken off even greater harvests and higher bushelage of grain. In our own railways an interesting picture is drawn, and one worthy of consideration. While thirty years ago it would take one locomotive, with six of a crew, to move 1,200 tons of freight a certain distance in from sixteen to twenty-four hours, with two stops for coal and water, the modern K-1 type of locomotive, with five of a crew, can move 7,500 tons of freight in from four to six hours, with no stops for either coal or water.

Between 1913 and 1928 the railway mileage of Canada increased by 40 per cent, and the ton miles of freight increased by over 100 per cent, and yet we employed 1,667 fewer men to handle 40 per cent more line and over 100 per cent more freight. There is no use in talking, because those are the facts; they come to the attention of anybody who takes the trouble to look into the thing. Therefore I ask the government, why eight hours? Why not six hours? Yes, Mr. Chairman, continually and progressively we shall have to reduce the hours of labour as the scientific attainments of man develop and continue to displace labour. There is no use in not facing this fact. It has to be faced, and we have reached the stage now where we have to reorient our whole thought with regard to the future, which involves largely the problem of the displacement of man power by the introduction of modern energy and the machine. I recommend to the government most strongly that they take into consideration the passage of a law for a six hour, not an eight hour day. It is not going to be enough to plead the constitution or to plead that the convention ratified calls only for an eight hour day. This government has protested that it is going to bring into effect legislative reforms which will revolutionize the injustices of capitalism and provide work for the unemployed. The eight hour day legislation will not provide one additional day of labour under present conditions.

Mr. RINFRET: I have only a word to say about this legislation, and this may be the proper time to say it, although my remarks do not apply to section 3 but to the bill generally. I will present them in a very few words.

When this legislation was before the house a few days ago a number of members mentioned particular industries in which it would not be easy to apply this law on account of special conditions of work. I wish to bring another such case to the attention of the minister, that of the longshoremen. I have had representations made to me by longshoremen in Montreal pointing out, in the first place, that their employment is seasonal, lasting only a few months in the year, and, in the second place that their work is intermittent according as the ships come into the harbour and varying with the quantity of cargo. Some of these men tell me that in one week they will work fifteen hours and in another week from fifty to sixty hours. I do not want to stress the point because it is very clear; it is similar to the point made in other cases which were brought to the attention of the committee on Monday when this bill was before it. I just want to ask the minister if there are in this bill provisions under which adjustment will be possible in cases such as this, so that longshoremen who work only a few hours in one week may work an extra number of hours in another week in order to establish an average. Perhaps the minister will be kind enough to take heed of these remarks and let the committee know whether that will be possible under his bill.

Mr. GORDON: There are a great many instances where special conditions prevail, and under the bill as drafted it has seemed to me that clause 10 is not sufficiently clear. When we reach that clause I shall have an amendment to suggest which I think will take care of such intermittent work as my hon. friend mentions and industries of that kind, and which would probably be impeded if the bill passed as it is now drafted.

Mr. WOODSWORTH: Mr. Chairman, a general discussion perhaps might have taken place on the second reading, but in any case clause 3 contains the principle involved in the entire bill and I should like to make a few general remarks with regard to it.

It is gratifying that at last an attempt is being made to bring Canada into line with the minimum standards as proposed by the I.L.O. sixteen years ago.

Mr. JACOBS: What is the I.L.O.?

Mr. WOODSWORTH: The International Labour Organization. It is too bad that Canada, so far as these regulations are concerned has been among the backward countries of the world. I hold in my hand a chart as presented from time to time by the international labour office, showing the progress of ratifications in the various countries, and if any of the hon. members received these charts I am sure they cannot be very proud of the position which Canada holds.

I regret indeed that the scope of this legislation is so limited, and I do trust that the government will not attempt still further to limit its scope as might be done by the amendment now before the committee. I would like to suggest that the evidence given before the price spreads commission would point to the need of including in this legislation not merely those engaged in strictly industrial pursuits but also those engaged in commercial pursuits. There are employees of the chain stores who are working very long hours indeed, and it seems to me we ought not to allow this parliament to close without making some definite provisions safeguarding the hours of work of people in certain establishments.

We have been informed by some of the members of the official opposition that there are constitutional difficulties in the way. I can see that perhaps that may be so from the legal standpoint but I urge that such difficulties could readily be overcome. I am going to venture to suggest certain means which would appeal to me as a layman by which if necessary any government that was in earnest about this matter might bring the provinces into line. I would suggest that, for example, there should be no tariff concessions to any industry that does not operate under fair conditions with regard to hours, conditions of work, wages and the right to organize. I think that would have a salutary effect upon the interests that are to-day receiving very decided protection from this country, and if that could be put into force in these central provinces where manufacturing is so largely located, the provinces would not hesitate to take such action by way of concurrent legislation that would bring them into line. Again I would say that where there is a will there is a way.

Further than that, and I may say that in this matter I have not consulted with any of my legal friends—I was afraid to do so for fear they would raise all sorts of obstacles and difficulties—I think there might be a prohibition of exports from any province that refuses to fall into line.

I suggest that if such a provision were brought into force even the industrially highly organized, central provinces would hesitate very much to offer any great objection to such measures. I think that if they could not export to any other province they would gladly fall into line. Surely trade and commerce comes under dominion jurisdiction. Further, if I had any authority in the matter I think I would go a little further. I would suggest certain changes in the Bank Act which would refuse credit to those industries which would not conform to such regulations as those now before us.

Mr. POWER: What would you do with the bankers themselves?

Mr. WOODSWORTH: I have discussed the bankers on other occasions. I think it would be quite possible so to alter the Bank Act as to make it impossible for banks to extend credit unless the corporation seeking credit had conformed to certain standards.

Mr. GARLAND (Bow River): Nationalize the banks.

Mr. WOODSWORTH: The hon. member for Bow River (Mr. Garland) says that he would nationalize the banks. Of course, that is our policy but perhaps that is looking a little too far into the future.

Mr. POWER: My question is: What would you do in order to coerce the bankers into following out your views?

Mr. WOODSWORTH: We would threaten to revoke their charters. We can alter the Bank Act at any time. I think the banks should be as amenable to the law as any other institution. I get a little weary of that doctrine of what might be called the divine right of the bankers. As I have said in this house before, the bankers have no more inherent right to their charters than has a pedler to his licence. I think the threat to revoke those charters would bring about speedy action.

Another method occurs to me, that is to make any infraction of these regulations a criminal offence. My lawyer friends may shake their heads but we have in the criminal code laws against unlawful assembly, against fighting duels, against prize fights, against blasphemy and against gaming in stocks.

Mr. GARLAND (Bow River): Gaming in stocks?

Mr. WOODSWORTH: I am using the correct term, it is gaming in stocks. We have all sorts of laws covering offences against property and persons. Why not extend these? For example, here is one clause of the criminal code which I picked up almost at random. Section 249 reads:

> Everyone is guilty of an indictable offence and liable to three years' imprisonment who, being legally liable as master or mistress to provide for any apprentice or servant, unlawfully does, or causes to be done, any bodily harm to any such apprentice or servant so that the life of such apprentice or servant is

endangered or the health of such apprentice or servant has been, or is likely to be, permanently injured.

In my judgment it would not require any very great revision of such a clause as this to enforce the eight hour day, especially in those industries which require considerable exertion on the part of employees. In this connection I should like to read a paragraph from a report which was presented recently by Leon Henderson and Isador Lubin. This report was drafted for the perusal of the President of the United States and the N.I.R.B. before the renewal of the automobile code. What applies to the automobile industry in the United States applies to the automobile industry in Canada, and similar conditions exist in many of the heavy industries. Just in passing may I point out that last year General Motors earned a profit of $94,000,000. Legislation of this kind should protect the employee. What situation does he face? This report is summarized in The Nation of February 20, 1935, as follows:

> The outline was given in the lengthy newspaper summary of the report published February 8. The industry needs young men; it needs a surplus of them. So it drums up its recruits from all over the country. They came by the tens of thousands before the depression, not knowing they would be discarded at forty. They bought homes and automobile stock on the instalment plan. They were fooled by the glittering high figures of hourly wages, and they stormed the employment gates. One by one they were sucked into the factories, and taught to speed up. Before the depression the speed was a new high record in industrial production, but since the depression it has had to be accelerated. It now is screwed to a pitch relatively few human beings can endure. That does not matter to the employers, other workers are waiting at the gates.

This matter is directly related to the bill now before us. It is an almost intolerable thing to work eight hours under the conditions which to-day face many of our workers. The account continues:

> The industry draws them in, drives them for long hours, then shuts down and lays them off according to its needs. The report does not give a clear picture of how much the average employee earns in the average plant. It is enough to say that in a test examination of 500 men 380 earned less than $800 last year and only 35 earned more than $1,200.

These figures should be considered in connection with the profit of $94,000,000 made last year by General Motors. The article continues:

> When the plants reopen young men are taken back. The older ones, not told they are on the scrap-pile, apply and apply for reinstatement, and not till they see most of their former colleagues reemployed do they realize that they are done for. Wages are paid on a gang and bonus system which promises a premium for inhuman speed, but the men do not know how much they are to receive until they collect their pay envelopes. Often the gang and bonus payments are changed, the inhuman speed being accepted as a normal speed. The men stand for hours on end at their belts, unable to pause for a drink of water or to visit a convenience. Their foreman has over them the authority of a Roman galley commander. He can collect petty graft. He can dismiss them. He can write on the dismissal card, "do not rehire," without giving reason, and if he does it will be hard for that man to find work in any other plant.

If an investigation were held in Canada I think it would be found that very similar conditions prevail. Some of these have come to my own personal attention. Unfortunately no investigation of this kind has been held in Canada and we have to quote from the experience of those just across the line. Many of our plants are owned by the same people that own the plants in the United States and industry in this country is carried on by methods very similar to those in that country.

I wish that we had the opportunity of moving an amendment in the direction of a thirty hour week but since this bill is in the form of a ratifiication of a convention, I understand that such an amendment would be ruled out of order or would be considered undesirable. The government is basing the constitutionality of this measure upon its being a ratification of the terms of a treaty and perhaps it would not be free to accept an amendment. Nevetheless, I feel that such action ought to be taken.

The hours to be worked should be related to the amount of work to be done. Only last night I gave some figures showing the enormous number of people who are unemployed. A computation based on the census figures shows that we are sacrificing in lost time something like $400,000,000 a year. Under these circumstances, and with nowhere to place the goods that are already being produced, it seems to me only reasonable that we should still further limit the hours of those who are at work so that there will be enough work to go round. And in so limiting the hours, I insist that we ought to keep up the same rate of wages now paid to individual workers; otherwise our action would be no solution of the economic problem. We want to have greatly increased purchasing power, and that could be secured by limiting the hours of work and at the same time maintaining the rate of pay.

I suggest that we should limit the hours not merely for humanitarian reasons but as one step towards the solution of our modern

economic problem. I had not known that my hon. friend from Bow River was going to take the line that he did, but I should like to follow somewhat along the same line for a few minutes in an attempt—possibly re-enforcing the position taken by my hon. friend—to impress upon the committee the necessity of still further reducing our hours of labour in view of the situation that confronts the world to-day. Power engineers tell us that through power driven machinery we have added to human muscles the muscles of nine billions of additional men, enough to increase the present population of the world five times, all ablebodied males. Mr. Howard Scott, the technocrat, promised $20,000 a year to every family on the basis of a sixteen hour week. That may have been an exaggeration, and undoubtedly he did not have the data at hand to make careful computations. But recently, in the summer of 1934, the Brookings institution issued a study, America's Capacity to Produce. This takes for granted the "general pattern of commercial organization then prevailing" and shows that American production could not have been expanded by more than nineteen per cent in the year 1929. In another study, America's Capacity to Consume, the Brookings institution states:

> At 1929 prices a family income of $2,000 may be regarded as sufficient to supply only basic necessities.

And it goes on to point out that sixty per cent of the total number of families are below this standard. It would seem to me to be clear from these two studies that we must admit that under the present system we cannot produce sufficient to maintain a decent standard of living. Taking the present competitive system with all the handicaps under which it is labouring, we cannot produce enough to go round, to supply the necessities of life. So I suppose that under these conditions we shall have to continue to work long hours. A moment ago I heard an interjection from my hon. friend from Southeast Grey with regard to the farmers, and I quite admit that to-day under present conditions the farmers are working long hours, and if they receive low prices they must work long hours—altogether too long. But I take issue with some of my farmer friends who believe that this sort of thing must continue. If the farmers had decent prices for their produce they would not have to work so long. If they were properly organized, as the manufacturers, the bankers and many others are, they would not have to work such long hours; they would make themselves felt both in the industrial and in the political field. But they are not so organized. I might quote a retort given some years ago in this house by my hon. friend from Wetaskiwin. One of the farmer members was urging that it was essential that the farmers should work very long hours and my hon. friend suggested that if the farmer would use his head a little bit more he would not need to work so much with his back. I think that is true The trouble is that in the past the farmers have not used their heads to organize and for that reason they have not been able to demand relatively as much of the income of the country as they should have as a class.

Mr. SANDERSON: Does the hon. member think that the farmers could regulate their hours of work by legislation?

Mr. WOODSWORTH: The hours of work on farms have been regulated in other countries for a good many years. Only the other day I heard my hon. friend from Peace River, himself a farmer, make the statement that long years ago when he was in Scotland the hours of labour for agricultural workers were down to eight a day.

An hon. MEMBER: They did not stay there.

Mr. WOODSWORTH: Yes.

Mr. SANDERSON: But I am speaking of Canada.

Mr. WOODSWORTH: What can be done in Scotland or in England can be done in Canada.

Mr. LAPOINTE: Were the cows milked during those eight hours?

Mr. WOODSWORTH: I urge that it is quite possible on the farm to have two shifts or if necessary three, just as they have in industry.

Mr. FAFARD: You don't know a thing about farming.

Mr. WOODSWORTH: My hon. friend says I don't know anything about farming.

Mr. FAFARD: Yes; you don't know anything about it.

Mr. WOODSWORTH: Well, I have lived on a farm and I know something of the difficulties that face the farmer, and under present conditions undoubtedly he must work very long hours. But even in farming, if the income of the country were properly divided, and if the farmer had at his disposal the labour saving machinery which he should

have, it would not be necessary for him to work the extremely long hours he now does. That is my point.

Mr. CASGRAIN: You would need mechanical cows.

Mr. WOODSWORTH: I spoke a few moments ago about two studies made by the Brookings institution. Another study has recently been made in the United States, the national survey of potential product capacity. This study objectively surveys on the one hand productive machinery with its possibilities and on the other the needs of the people. I quote from an article by Stuart Chase in Harpers of February:

....The National Survey of Potential Product Capacity financed by the federal government, released the summary of a report prepared by sixty technicians over a seven months' period. Its conclusions indicated that the total flow of goods and services, valued at over 90 billions in 1929, might have been expanded to 135 billions without technical difficulty had the existing plant been operated at approximate capacity. One hundred and thirty-five billions of consumers' goods and services, evenly distributed, would have been sufficient to give each family the equivalent of about $4,400 a year. This means a possible increase of some 45 per cent, or more than twice the margin of the Brookings report....

I believe that the conditions in Canada are very similar to those that exist in the United States, and if their productive capacity, under proper management, might afford $4,400 to each family, I think it is quite possible for us to have something comparable to that in Canada. In commenting on these reports Mr. Stuart Chase shows how, under a planned system designed to produce for service, this minimum could readily be increased. He refers to the wastes in shoddy goods and adulterations by sabotage, obsolete plants, by withholding of new inventions and processes, by useless competition. There seems to be no limit to the possibilities.

Yet in the same number of Harper's, J. D. Bernal of Cambridge university ends an intensely stimulating article on a pessimistic note.

The present direction of economic and political forces holds out no hope that physical science can realize its possibilities or even escape from being used for the destruction of the world that it has helped to create. If science is to help humanity, it must find a new master.

That is the situation we find at the present time—great possibilities of production and yet under our present arrangements the impossibility of our securing the advantage therefrom.

When we come to a measure such as the one before us, we in this corner find ourselves in a rather difficult position as to how to vote. As I pointed out with regard to the unemployment insurance bill, these measures were brought forward as part of a great reform program that was designed to solve our difficulties in Canada. Viewed in that light, I think we must admit that such measures are hoplessly inadequate and as such I would almost feel like rejecting them; yet as I come to face the individual measures, I conclude that would hardly be right. An eight hour day is better than a twelve hour day, and some of our industrial workers at least until recently have been working on a twelve hour day. So I must admit that this is a little bit of improvement on that and as such it ought to be welcomed.

Further, the government must be given credit for tackling this problem that previous governments have sidetracked for a good many years. I am not particularly interested in the special legal and constitutional aspects of the question; I am interested much more in the actual conditions under which throughout all these years our workers have been forced to live. Therefore, in so far as this is a recognition of the responsibility of the government to implement the terms of the Versailles treaty and in so far as to a limited degree it does help the situation, I feel I must vote in favour of it. But let it be remembered that this is no solution of our problems, and if it were possible at this time, instead of an eight hour day I would gladly bring in an amendment, urging a thirty hour week.

Miss MACPHAIL: I listened with great interest to the very able speeches delivered yesterday and to-day by the hon. member for Bow River (Mr. Garland) and to the equally able one just completed by the hon. member for Winnipeg North Centre (Mr. Woodsworth). Both of those hon. members are gentlemen in whom I trust and respect for their ability, social outlook and integrity. But really as a representative of agriculture I cannot seem to agree with the position which they are taking at the moment. I quite realize that as mechanical energy or inanimate power, whether it be internal combustion engine or electric power or steam power or whatever it may be, increases, manual or animate labour will decrease, and I believe the day will come when we shall have a six hour day. But as a representative of agriculture and not so much as that, but as one who comes from a long, long line of agriculturists—and I say this because I sit in the

same corner with those much respected colleagues of mine—I cannot at this moment seem to want a six hour day for industrial workers when we have something that runs well over twelve hours during the summer season and at least twelve hours a day the year round for our agricultural workers. I do not want the farmer to work from twelve to fourteen hours a day; I do want him to organize; I do want him to use his intelligence, and may I say that I have great respect for the good sense and intelligence of our farmers. I want him to use it in the best possible way so as to eliminate much of this toil; but as one who knows something about the matter—and a good many members are just as well aware of it as I—the farmer works so hard that at the end of the day he is not able to think, and at this time he is too poor to buy the magazines and newspapers which would acquaint him with the tremendous strides that have been made in the field of scientific development. We all know how true this is, and when the hon. member for Winnipeg North Centre, much as I respect him, talks about two or three shifts on a farm when the farmer with himself and his family working themselves nearly to death cannot break even—and after all it is to-day we are living in and this bill is being passed to-day to regulate hours of labour which are going on from this time forward—the farmers could no more think of putting on double or treble shifts than flying to the moon, because no matter how they work, under present conditions they cannot break even. They know just a little bit more about hard work and about saving than any other large group of people; they are an admirable class in the national life of Canada, and I think it is not going too far to say that they are the bedrock of our whole national life. Therefore, although I hope for an eight hour day and I would be glad to welcome a six hour day—indeed I am so lazy that I would welcome a four hour day instead of fourteen as we have it in this house—I feel that we have now altogether too much disequilibrium between the country and the city.

To-day I listened to a psychologist and a very able one at that, discussing what they are doing for the children in the schools in the cities. I thought at once of the country school children who have not anything like the same opportunities. The same is true as regards all country life; there is at present very little of the best in education concerning the higher standards of living and the desire which we all have to wear clothes that we like. There is less chance of all these things in agricultural life to-day than there is even in the ranks of those on relief. Some of the figures quoted last night by the hon. member for Bow River for those on relief would sound like a fortune to the farmers in my constituency. That does not mean that I want the people on relief to have less; I do not. It means that I want the people in my constituency to have more. But as their representative, I cannot sit silent in a group where no other person has taken the position that until we can have higher prices for farm products, until we can have a lessened burden of interest rates, until we can have some markets for our products, either at home or abroad, we should not advocate six hours for labour; I cannot sit and listen as I have sat and listened this last hour without entering a very vigorous protest. When we tried to have the administrative costs of the farm loan bill borne by the government the Minister of Finance was not even friendly about it; he thought it was rather a terrible thing to ask. What are the farmers getting out of this much talked of reform program? They are getting the chance to avail themselves of the Bankruptcy Act, which other people have had for some time past. They are getting the chance of a loan from the $90,000,000 fund, at a rate of interest which will probably be at least five per cent and may be five and a half per cent. But the government would not think of bearing the administrative costs. Yet we can do all these other things; this relief, which is a terrible way of treating our economic ills, psychologically wrong, wearing the people down, undermining their morale—I dislike it exceedingly; I want to see everyone who is ablebodied and can work set to work. But instead of having some people work fourteen hours a day and others six hours a day it would be very much better to follow the suggestion, first made, I think, by the hon. member for Macleod, at any rate by someone in the house, that we have a national superannuation fund and superannuate everyone at the age of sixty or thereabouts, giving them some comfortable amount, say $50 a month, or more if that is not enough, and let farm and industrial workers share together in it on a basis that is equally fair to these great groups.

It has taken the government a long time to get around to an eight hour day. Fifteen years ago it would have brought great benefits. But once again governments have done what all governments do, brought in legislation so late that it no longer fits the needs of the case. The same is true as to the minimum wage.

[Miss Macphail.]

But at the bottom you have a group like the fishermen and the farmers, who are hardly organized at all, and they have to pay all this increased cost—because there is no use blinking the fact that such legislation as that for a minimum wage, an eight hour day and unemployment insurance put additional weight on the backs of the already burdened unorganized primary producers. That being so, it is about time this house said that, much as we want to avoid direct relief and save people from dry rot—because that is what it amounts to; much as we want to see that everyone who is able to work has work, and not too much of it, instead of having it all easy on one side and hard on the other we had better try to get a well rounded program that will make it possible for the primary producers to enjoy some of the advantages of this age of invention and of electric power.

For the moment I conclude with this—it is a queer sort of thing to be talking about on the discussion of an eight hour day bill—that farmers to-day farm women as well as farm men, are terribly overworked. They are unable to get medical attention; I know and you know that they simply cannot pay for medical or dental care. They are dressed poorly; they can not afford such small recreations as picture shows; many of them were not running their cars last year. They are burdened with low prices and high costs, with tariffs, with high interest rates, and they are burdened as we all are with a financial system that is completely wrong. I believe that what is physically possible should be financially possible, that some day we shall come to our senses and make it come true that in a land of plenty and an age of plenty there will no longer be anybody destitute. I want us to reach that state as rapidly as possible and in such a way that both the industrial worker and the farmer shall enjoy its benefits. But as we advance towards that condition we must remember that we have many groups in this country, and in enacting legislation such as this our program should be a balanced program. The farmers were here first; they were the pioneers who cleared the land and opened up the west; let us not now serve them last.

Mr. MULLINS: It is very interesting for me to listen this afternoon to the statements made here. As I look over the house and see practical farmers smiling at the advocacy of a six hour day by my late spiritual adviser the hon. member for Winnipeg North Centre, I cannot understand it. How can farm work be confined to six hours a day, and what use is it to talk about two shifts for milking?

Mr. GOLDING: It can't be done.

Mr. MULLINS: I am in agreement with the hon. member for Southeast Grey when she states that it is one thing for a man to propose a theory for the reform of some business condition where he has had some actual experience, and it is another thing for a man to propose a theory for the reform of a business in which he has no experience though he may have some measure of ability. I ask the practical farmers whom I see before me if the statement about six hours a day and the sending out of men to come to my farm to organize the workers is right and in the interests of this country? It is absolutely wrong, and I hope the hon. member for Winnipeg North Centre will listen for a few minutes to what I have to say. I see before me as I stand here practical farmers whom I know personally, such as the hon. member for Lanark; I venture to say there is no mortgage on his farm, and that if he finds it necessary to work early in the morning or late at night he will do it. I see another, the hon. member from Elgin who put these delicious apples on our desks—

Some hon. MEMBERS: Hear, hear.

Mr. MULLINS: I venture to say he is a practical farmer. I saw a smile on his face as the hon. member for Winnipeg North Centre was talking.

Mr. MITCHELL: Tell us about the eight hour day.

Mr. MULLINS: I have owned a farm in western Canada for over fifty years. If a farm is worked properly and practically there is no better asset for a man who has the ability to operate it. But when preachers, doctors or professional men begin to teach practical men they make a mess out of it, nine times out of ten.

I have here a speech that was made in 1870 by a practical man who went to the United States following the civil war, when conditions there were like our present conditions. I remember quite well that when my grandfather in law crossed over into the United States the American dollar could be bought for fifty cents, and farm products were selling at very low figures, much lower than to-day. We bought butter at ten cents a pound, chickens at twenty cents. But conditions change; they right themselves, With the permission of the house I should like to read part of this man's observations because I believe they will give some idea of what was happening at that time:

Our country is filled with the idle and unemployed and the great question asked for an answer is, "What shall be done with these men?". "What shall these men do?" To this there is but one answer—

And I give the same answer to-day, because there can be no other answer, "Go and get these men out of the camps. Put them on the farms."

They must cultivate the soil. Farming must be rendered more attractive. Those who work the land must have an honest pride in their business. They must educate their children to cultivate the soil. They must make farming easier so that their children will not hate it; so that they will not hate it themselves.

The boys must not be taught that tilling the soil is a curse and almost a disgrace. They must not suppose that education is thrown away upon them unless they become ministers, lawyers, doctors or statesmen. It must be understood that education can be used to advantage on the farm. We must get rid of the idea that a little learning unfits one for work. There are numbers of graduates of universities and colleges who are performing a hundred varieties of menial services. They are willing to do anything that is not regarded as work, anything that can be done in a town, in a house, in an office, but they avoid farming as they would leprosy.

It is a thousand times better to have common sense with education—than education without sense.

The western country offers every opportunity. Yet we are crowding men into camps; we are putting men into camps where they are getting all the luxuries which could be given, and luxuries costing all kinds of money. At the same time the united farmers of Manitoba, an organization to which I belong, are asking to have the camps disbanded. With 1,500 men in my constituency in Riding Mountain national park, Clear Lake camp, I ask, too, to have those camps disbanded and the men turned loose. Let them go to the farms for their work, because the farmers are offering them employment and will accept them. However those men will not go, and how can we expect to get them when conditions such as I am about to indicate, exist in the camps. I have before me an article showing the conditions at Clear Lake camp, and I read it for the special benefit of the hon. member for Winnipeg North Centre (Mr. Woodsworth) who at one time in this chamber had something critical to say about this particular camp. These men are fed three times as well as we old pioneers of western Canada were fed. We knew no such conditions as those under which they are living. I see a smile on the face of the hon. member for Melville (Mr. Motherwell); I know that he has in mind just exactly what I have in mine. I say these men are fed the very best. Here is a letter which has come from the camp:

To the Editor of the Tribune:

Sir,—Every once in a while we hear a complaint emanating from the minds of some of the less grateful of our unemployed. It was rather refreshing therefore, for me to receive a letter from my boy recently, who is at camp 8, Clear Lake, which in part says:

"We arrived at the main camp 7.15 and had supper. Boy, what a meal! Everything from soup to nuts. We were in a dining room that seats about 200. After the eats, we received four horse blankets each. They are like Jimmie's scout blanket.

"From hence we got back on the truck and proceeded to camp 8, where we are now parked. It is a new bunk house, and is it snarky? They keep the fires going all night; someone comes in every two hours and stokes up; the place is real warm. We have upper bunks; they are singles. There's lots of room to hang coats, and a big shelf above the bed.

"We breakfasted in the third relay. The food is wonderful. They had porridge—

I ask the hon. member for Winnipeg North Centre to get this, so that he will know just what they are doing up there in the camps.

They had porridge, pancakes, syrup, bacon, prunes, bread, buns, biscuits, etc., etc.

"So far we have not got our clothes, but expect them soon.

"There's a nice gang here.

"I've just finished putting up a few more shelves. Right now I am lying on my bed. In one end of the room someone is playing a banjo; at another end several mouth organs are in full blast.

"What little look we did get of the country was wonderful. It is all spruce trees and hills. It certainly is beautiful.

"I'll write you more when I've been to work and seen what that's like. Theres' about 20 of us loafing around the bunk house right now. It certainly is a wonderful bunk house; it's like a palace.

"Oh, Oh, now everybody's singing, so I guess I will have to join in.

And this is signed by M. Davis. If we are are going to take men out of the cities and place them in that sort of environment I do not know how we will get them back on the farms. I would not want to go back on the farm if I were in a place where they had their boxing matches one and two days each week, their hockey matches one day in the week, and all that sort of thing. Would hon. members in this chamber want to go back on the farm? I know that prices for agricultural products are low, but I would remind hon. members that only within the last ten days cattle have sold on the stockyards at Toronto for 7½ cents a pound. I am sorry the hon. member for Macleod (Mr. Coote) is not in his seat because some time ago he referred to a 19 cent cow. At the same time an hon. member sitting next to him sold a cow for $40, and had the cheque in his pocket. The hon. member for Mackenzie (Mr. MacMillan) sold ten cattle for $420, and had a cheque in his pocket for that amount. These men are practical farmers, and are making a success on their farms. I know the hon. member for

West Elgin is feeding a barn full of cattle which will make him a lot of money. I say the farm offers every inducement, but unless these men go out of the cities and back to the land they will be charges of the government, we will have them as wards, and we will have more talk about a six hour day and things of that kind.

I know that there is something wrong. What is wrong is this: the farmer receives nine cents and the consumer pays thirty cents. I want that fault corrected. I know there is a blank spot in the centre, but if time permitted me this afternoon and if I were given an opportunity to go into the matter more fully I could tell what is wrong. Do you think a farmer is wise who goes to the yards of the packers and permits those packers to do the purchasing? That man does his own trucking and helps to ruin the railways. I ask the intelligent men in the chamber this question: Did the farmers do that in your boyhood days? Do hon. members recall the time when in western Ontario they had fairs where the farmers showed their cattle, and where the cattle buyers would buy them? Did the cattle buyer go into the hands of the packer, and let the packer set the price? The buyer who is employed by the packer has a killing sheet handed to him every day. He buys for the packer and when the product goes to the packing plant he is responsible for the outcome of his buying. Now I ask the farmer if he is wise to put himself into the hands of the packer under those conditions. The farmer himself is wrong in the methods he is using and in the methods in which he is doing business. I ask him to go back to the old days when the cattle buyer went on to the farm, as my hon. friend from Assiniboia and my hon. friend from Ontario mentioned; they sold right on the farm and the money was paid to them there. In those days the farmer was successful, but now he puts himself into other hands to be controlled as to price. I did not intend to take up any time this afternoon, Mr. Chairman, but when I heard the statements made about working six hours a day I could keep my seat no longer.

Go back to the land and operate it in a practical way. The best inducement in the world is offered in the great outdoors of the three prairie provinces. Handle it right. Take your coarse grains and feed them to live stock, and do not be subjected to the exploitation of the different elevators by selling them your coarse grains. No man can make money by selling his coarse grains in that way. No, Mr. Chairman, feed your coarse grains to live stock and drive them to market on four legs. That is the only way. I see the hon. member for Yorkton; I remember when that town was prosperous, when there were hundreds of thousands of dollars paid out during the summer, but they have neglected the live stock industry. I do not intend to talk about live stock any more, but I hear hon. gentlemen talking about medicine and legal and constitutional questions and I could not help saying a word. The practical end of farming is live stock. I have always stood behind that and I stand behind it still. The live stock are now finding a place, and the packers instead of going down the stock yards leisurely have to step up now.

We have a market in the United Kingdom that should be developed, but I have not time to go into that to-day. I may do so later on and then tell you something more about live stock. I stand behind live stock yet, and I will take second place to no man in that respect, although I may be nearing the end of my contribution in regard to them. I have spoken many times about live stock because I have seen what they will do for a farmer who has a well bred herd of cattle, not a common bred herd. No man wants a common bred herd any more than he wants a common bred man. They are of no use; many will be in camp with somebody feeding them, but when the farmer has a well bred herd of cattle, and when he has a farm without a mortgage, he is the happiest man in the world and I defy any man from the cities to be any happier than he is.

I would say in conclusion that the west offers the opportunity, and if we here do our part as legislators to help agriculture get on its feet we can do nothing better for this country because agriculture must be successful if this country is to succeed.

Mr. MacINNIS: Mr. Chairman, unfortunately the people of this country are divided into various classes and sections according to their various economic interests. Some of us are in parliament representing certain interests, and others represent different interests. Theoretically I suppose we are here to represent all interests in this country, and so far as I am personally concerned, so far as representation of that kind tends to the equal distribution of the total produced wealth of the country I am quite willing to cooperate with any group to that end. I am always willing to cooperate with the farmer because I am satisfied that we cannot have a proper social order with the farmer left out of it, any more than we can have a proper social order with the industrial worker left out

of it. Those are the two wealth-producing classes in the community, and they are the two most exploited classes in this country to-day—in fact the only classes that can be exploited. It is for these people that we who sit in this corner of the house are trying to legislate.

The bill that is now before the house is in my opinion one of the most important parts of the so-called reform program, because if we pass this bill I think it is the one that will soonest come into conflict with provincial legislation. I think we should be clear in our own minds as to whether this is going to supersede provincial legislation already on the statute books. I know that in my province the employers are very anxious that the other provinces which have no limitation of hours legislation at the present time should have legislation of that kind in order that there may be some semblance of fair competition between the various industries in the different provinces. We should know first of all whether or not this legislation is going to supersede legislation already on the statute books of the provinces. That has not yet been made clear. If it is going to supersede provincial legislation, I think we should be very careful to see that the legislation we are passing now should not be less stringent than the legislation we now have in any province. I am not quite sure but I think that possibly British Columbia has more advanced legislation so far as the limitation of hours is concerned than any other province in Canada, and I do not want to see legislation passed here that would supersede legislation in British Columbia and be less stringent than what we now have in that province. I do not think any member coming from British Columbia would want to see any such legislation as that.

The amendments that are contemplated have a tendency in my opinion to take away from this legislation a great deal of its potency and effect, and consequently for that reason I am opposed to them.

I believe, with the hon. member for Bow River, that the time has come when we must recast many of our ideas in regard to social and economic matters, and that is as true of the problems of the farmer as it is of the problems of the industrial worker. The farmer also has been caught up in the industrial machine, if you like, by the use of machine power, and if he is going to live on the land as a producer of commodities and have a wide sale for his products he will have to change his methods of production to conform to the social conditions that arise. There is no getting away from that.

[Mr. MacInnis.]

We have in the past heard too much about this industry or that industry not being able to stand shorter hours or higher wages or better working conditions, but I say Mr. Chairman, that an industry that cannot stand good working conditions for its employees should not be in existence at all. If the community needs that industry we should run it on such a basis as to give to those engaged in it a reasonable and decent standard of living. When we say that this or that industry cannot stand conditions that would provide a decent standard of living all we mean is that that industry cannot be carried on profitably with the management it now has. We have to make up our minds whether the industries that are essential to the life of this country are going to be left in the hands of private individuals to be manipulated in their own interests, or whether we shall see to it that those industries function in the interests of the great masses of the people of this country. That is the problem facing us to-day. It was possible at one time to leave those industries in private hands; it was possible as long as a market could be found for their production, but we have now come to the stage where a market can no longer be found, and consequently if the community is going to keep up its standard of living it has to take hold of the means of production and operate them itself for the community. If my friends have any better solution for the problem than that I am quite willing to hear it. Nothing has been brought forward as yet to show that it can be done in any other way. It seems to me that we have to stop thinking about industry and to begin thinking about the human beings who make industry possible. The trouble in the past was that the governments of this country gave all their consideration to industry and gave no consideration to the people of this country who make industry possible.

Let me say a few words in connection with the farmer. I think the first thing the farmer will have to realize is that he is taking part in the production of a social product. When I say that he is taking part in the production of a social product I mean that he is no longer producing wholly and solely for his own family and himself, producing the things that he consumes on his farm. He is producing for a world market, and between his farm and the ultimate market must come hundreds of people who take just as much part in the production of the product as he does. The disposal of his product would be impossible if these people were not taking part. I see an hon. member to my right shaking his head, but

the shaking of a head is not going to get over the difficulty. Wheat is grown upon farms of western Canada but it is sold and consumed in Great Britain, in China and in France. The wheat is not wholly produced until it has reached the ultimate consumer. Everyone between the farm and the mills in Great Britain, China or wherever the wheat is finally consumed takes just as much part in its production as does the farmer. They are essential to the production and if that process did not take place the wheat would stay on the farm. The shaking of a head will not get over that.

Wheat cannot be produced to-day without agricultural machinery. This agricultural machinery is not grown on the farms. It comes from the bowels of the earth, from the smelters, the factories and the machine shops of the cities. Considerable transportation is required before it reaches the farm. Our whole city organization is bound up with our farm organization. The farmer has two alternatives facing him; he must undertake cooperative production and distribution or go back to serfdom. These are the alternatives facing the farmer to-day. You can talk as you like about the improved conditions of the industrial worker and the people living in the cities; you can state that the only solution to our problem is to go back to the land. But let us examine these things. The difficulty facing the farmer to-day is the fact that he cannot find a market at a profitable price for what he produces. As a matter of fact he cannot find a market at any price. If the farmer is going to sell he must sell to people living in the cities. He cannot sell to people who are producing the same things as he is producing. If we put the unemployed in the cities back on the farm and have them producing as well, then the farmers will be more and more unable to sell what they produce. Instead of their condition being improved, it will become worse. These things might as well be faced realistically. We are living in a social organization which requires the efforts of everyone in many different states in order to make production possible. If this is the case as far as production is concerned. then it must be the case as far as distribution is concerned if we are going to benefit by the improvements which have come about through inventions of one kind and another.

I should like to know how it would benefit the farmer to have a twelve hour day in industry. Would it benefit the farmer to have lower wages in industry? The result would be that he would be able to sell less than he sells now. He can sell only to a prosperous city population; he cannot sell to an impoverished city population.

The hon. member for Marquette has referred to the wonderful conditions existing in the unemployment camps. He quoted from a letter written by a boy in one of these camps, but I want to point out that that letter was written the first evening the boy arrived at the camp. I am not just sure of the conditions at his home when he was so pleased to be given four horse blankets. I would rather have blankets made for human beings. Horse blankets may be all right for horses but I would feel more like a human being if I was living like other human beings. If there were not sufficient human blankets, to use that term, to go around, then I might be satisfied with horse blankets but as long as somebody else had more blankets than he knew what to do with, I would not be satisfied with horse blankets. Any boy who is satisfied with horse blankets is not going to amount to much.

Mr. ROSS: Where did he say those horse blankets were used?

Mr. MacINNIS: The hon. member for Marquette was reading a letter which he had received from somebody in the camp and it stated that they were used there.

Mr. GORDON: They were used when he was riding on a truck.

Mr. MacINNIS: That is not my understanding of what the hon. member said.

An hon. MEMBER: You are mistaken.

Mr. MacINNIS: Possibly I am wrong. Then he stated that there was a hook or nail furnished upon which he could hang his coat. I wonder if they had no hooks and nails at home. Did he just throw his coat under the bed? Perhaps they may have been so short of blankets at home that he had to wear his coat in bed.

I should like to give the farmer members some information which may possibly throw some light on the difficulties facing the farmers of this country. I should like to quote from a daily bulletin issued by the Dominion Bureau of Statistics, which is under the Department of Trade and Commerce presided over by my hon. friend the minister (Mr. Hanson). This bulletin gives the gross value for 1933 of the cotton textile industries as $58,461,000, an increase of $13,000,000 or 28 per cent over 1932. The number of employees, salary and wage, engaged in the industry in 1933 is given as 17,885, an increase of 1,067 or six per cent over 1932. The

salaries and wages paid amounted to $13,222,000, an increase of $61,000 or one-half of one per cent over 1932. The salaries and wages paid to a greater number of employees were very little more than they were in 1932. Let us compare the salaries and wages paid with the profits. The value added by manufacture was $28,671,000, an increase of $5,509,000, or 23 per cent over 1932. At a cost of an increase of one-half of one per cent in wages this industry was able to increase its profits by 23 per cent. Possibly this is where the farmer should look for some of his difficulties. I am not at all convinced that any of our social insurance measures will get us very far in the direction of improved social conditions, because I feel that so long as the life energy of the individual is a commodity on the market it will be sold just the same as any other commodity is sold. When the demand is great the price will go up; when the demand is low or the supply is more than the demand the price will go down, regardless of what may be done. The peace treaty, I understand, provides that the labour of the individual is not to be regarded as a commodity; but no matter what the peace treaty may say, I contend that so long as the present system continues, the labour of the individual, his life energy, will and must be regarded as a commodity. The peace treaty was signed in 1919, and I have before me the report of the board of conciliation that heard the grievances of employees of the Canadian National Railways and the Canadian Pacific Railway in 1933.

The CHAIRMAN: Will the hon. gentleman try to keep to the section.

Mr. MacINNIS: Perhaps I am departing a little from it, but I do not think I am doing so to any greater extent than has been done this afternoon.

The CHAIRMAN: I have given too much latitude.

Mr. MacINNIS: Well, Mr. Chairman, when you curtail the latitude you have been giving I wish you would begin with somebody else. In regard to the twenty per cent cut which the railway companies were asking for, the board of conciliation, the majority members being Judge Gibson of the superior court of Quebec and Mr. George C. MacDonald, chartered accountant, made this statement:

> The bearing that the general economic situation has upon the proposed twenty per cent cut is that railway labour, like all labour, manual, professional or clerical, is a commodity which fluctuates in value; when the values of commodities generally, including other labour, have fallen in terms of money, it is but reasonable to contend that railway labour also should be entitled to less remuneration in terms of money.

In other words, if railway employees are to sell their labour they must sell it on the same terms as other workers sell their energy, at its cost of production. Coming to the eight hour day, it seems to me that this house should be very careful not to pass legislation that would supersede, if it will supersede, provincial legislation and be of less consequence in improving the conditions of human beings than is the legislation already on the statute books of the provinces.

Mr. MITCHELL: It is nearly time that someone discussed the section of the bill, and I am probably the first speaker this afternoon who will do so. We have gone all over the lot from social credit to raising bulls, and apple sauce—at any rate, it has developed into apple sauce since we have started. We have heard the point of view of those who claim to represent the farming interests and we have heard the point of view of those who claim to represent other interests.

Mr. MACKENZIE KING: We have heard the two opposing points of view of the Cooperative Commonwealth Federation, on social legislation.

Mr. MITCHELL: There may be twenty points of view of the Cooperative Commonwealth Federation, and that might go for other parties as well. But what I am concerned about is that this legislation when it passes shall have the widest application possible. We have heard many things said this afternoon, almost given as statements of fact, from the point of view of farmers and from our other points of view, but I think we must all agree that the policy set in motion by this legislation is a logical development of world opinion. It is a conclusion that has been arrived at by many nations which in their composition are almost akin to our own. The nations that have dealt with the problem of the hours of labour include Albania, the Argentine, Austria, Belgium, Brazil, Bulgaria, Chile, Colombia, Cuba, Czechoslovakia and Denmark. There are others that I might enumerate. In this legislation therefore we see an attempt to move in the direction of world opinion. This movement on the part of the dominion government brings into practical application the dream of those people who are interested in the tremendous growth of science as expressed in industry and agriculture, and if my farmer friends thought it

through I think they would find that their problems are much the same as the problems in the city. After all, the modern city is a reflex of the industrial age; it is an outgrowth of it. The boys have not left the farm because they wanted to do so but because they have been driven off by the machine. Therefore the problem of mass production must be faced, not only in industry but in agriculture.

An hon. MEMBER: When are you coming to the section?

Mr. MITCHELL: I am coming to the section, and when I am through I think I shall have made a more intelligent criticism of it than some others I have heard. I have not heard one speaker this afternoon discuss the section. The government proposes an amendment to section 3 in conformity with the convention:

> The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

I have no objection to an amendment of that kind if in their judgment it is necessary in the practical application of this bill, but I would offer this suggestion. When they found it necessary to propose that amendment why did they not carry the same principle right through the bill so as to bring its provisions generally into conformity with the recommendations of the international labour office? We find there a recommendation with respect to the limitation of the hours of work in inland navigation, and section 1 of the recommendation reads:

> That each member of the international labour organization should, if it has not already done so, enact legislation limiting in the direction of the above declaration in the treaties of peace the hours of work of workers employed in inland navigation, with such special provisions as may be necessary to meet the climatic and industrial conditions peculiar to inland navigation in each country, and after consultation with the organizations of employers and the organizations of workers concerned.

I see no reason why such a policy should not be followed in this bill. I think it is fair to say that there is no dispute as to the jurisdiction over the men in inland waters. I know of no provincial government that is legislating in this direction with regard to the conditions under which these men work, and I offer that suggestion to the government. It does not seem likely that they will get through with the bill this afternoon, and I think they might take into consideration the possibility of relieving the intolerable working conditions that prevail on many of the ships that ply on the great lakes. Notwithstanding the opinions expressed this afternoon, my mind is fixed on the necessity of reducing the hours of labour in industry. It is a fair thing to say that since I have been a member of this house, when legislation has been brought down that reflects the genius of the farmers' organizations of this country to meet the difficulties that confront them, I have lent my aid and wished them godspeed. Notwithstanding opinions to the contrary; notwithstanding opinions that might have been expressed to the government recently, this legislation has the endorsation of every responsible labour organization of every kind and character in the dominion. I refer to the ratification of the convention of the international labour office of 1919 held in the city of Washington.

The other day I dealt with the chain stores in this country and the opinion was expressed that we could not legislate in regard to them. I would point out that there is a draft convention concerning the regulation of hours of work in commerce and offices. That would bring within the orbit of legislation by the federal parliament such institutions as have been investigated by the price spreads' commission which is completing its labours at the moment. I want to be quite frank about the matter. As regards hours of labour in restaurants, hotels and so forth, an exemption is made by this convention, but I see no reason why the government should not move in that direction and ratify this convention of the fourteenth session of 1930. It deals with:

> (a) commercial or trading establishments, including postal, telegraph and telephone services and commercial or trading branches of any other establishments;
> (b) establishments and administrative services in which the persons employed are mainly engaged in office work;
> (c) mixed commercial and industrial establishments, unless they are deemed to be industrial establishments.

It exempts, as I have said, certain other people that I thought the other day should be included within the provisions of this measure.

I am not going to speak until I am blue in the face of the influence of the machine on the individual within the confines of our industrial structure. One could go on and discuss that almost indefinitely. Neither am I going to discuss the question whether national credit will solve the difficulties of the farmer. What I am most concerned about is that when this bill finds its place on the statute books of this country, it will be as broad in

its application as possible and will go as far as the conventions and recommendations of the international labour office, which after all is said and done is its driving force, will permit it to go. I appreciate the fact that at the moment the federal government finds itself possibly in difficulties in connection with too broad an application of the measure, but what I would like to ask the minister to do is to see to it that the bill, when it is finally passed, goes as far as the conventions and ratifications of the international labour office permit it to do, so that it may bring its benefits to as many as possible of the people engaged in industry and commerce.

Mr. GOLDING: I have just received a telegram from one of my constituents and I feel I should bring it to the attention of the minister and the government. It reads:

> Would strongly urge your support for exclusion of creameries and cheese factories from provisions of eight hour law in interest of producers. Any increase in operation costs will bear heavily on farmers as we cannot control butter prices to secure higher return.

That is from Mr. Barber who runs the butter factory and creamery in our town.

Another communication to which I would like to direct attention is from the canning factory in one of our villages. It reads:

> In regard to the proposed legislation dealing with the eight hour day, and forty-eight hour week, we fear that this legislation will work hardship on our particular industry. Most canning factories are located in small centres of population, and, due to the peculiarities of our business, we experience heavy deliveries of produce one day, and comparatively light deliveries on other days. This is due to climatic and other conditions, and with this problem to meet it is almost impossible for us to secure sufficient help for two shifts. Even if this were possible, we do not see how we could arrange a regular eight hour working day. We trust that this bill will have your careful consideration, and that you will bring this matter to the attention of the government.

I do not want to prolong the debate. This legislation is being introduced and put into effect by the government and they will have to assume responsibility for it, but I want to bring this matter to the attention of the minister.

Section agreed to.

On section 9—Exceptional cases.

Mr. HANSON (York-Sunbury): I move by way of amendment that clause 9 be deleted and the following be substituted therefor:

> The governor in council may in exceptional cases where it is recognized that the daily limit of hours of work cannot be applied and agreements between workers' and employers' organizations exist, give effect to such agreements by regulation and permit the said daily limit of hours to be exceeded; provided however that the average number of hours worked per week shall not exceed forty-eight; and provided further that in case such an agreement made prior to the coming into force of this act embodies the basic principle of eight hours as the daily period of employment, the provisions of such agreement relating to the hours of employment shall, notwithstanding anything contained in this act, continue in force unless suspended by the governor in council.

Mr. MITCHELL: Who suggested this amendment?

Mr. GORDON: The matter was brought to my attention first by some of the railroad brotherhoods. Then it was brought to my attention through the officers of the Department of Labour that there were throughout Canada a large number of industries where organized labour had, through their properly constituted representatives, made agreements with their employers. Those agreements were entered into I trust voluntarily in all cases, and I think the great majority of them embodied the principle of the eight hour day. The agreements to which I make reference are agreements presently current and in force. It was my judgment, and by me recommended to the government, that such agreements should not be lightly disturbed. But if it appears to the governor in council that any of those agreements do violence to the basic principle that underlies this bill, such agreements can be suspended. I think that is the only sound method to follow. It is my judgment that if we passed the section in its original form we should immediately be confronted with disturbance in industry by reason of agreements that are in force, entered into voluntarily between the parties concerned. So long as the basic principle of the eight hour day prevails it is the judgment of the government that those agreements should not be disturbed, but they may be suspended by the governor in council if as I have said it is made to appear that they are in conflict with the principle underlying this bill.

Mr. MITCHELL: All I say is that if that amendment is adopted you might as well not pass the bill. I have had some experience in negotiating agreements. What is to prevent some company organization from being constituted to defeat the ends of this bill?

Mr. GORDON: To do what?

Mr. MITCHELL: Some company union entering into an agreement to defeat the object of this bill. The bill has a wide application. I know something about the de-

clarations of organized labour on the eight hour day. I think that in fairness all organizations should have been consulted. Take the railroad industry, you have the four running trades, then the machinists, the stationary engineers, the maintenance of way men, the car men, all organizations connected with the railroad industry. They should all be consulted, and so should all the other labour organizations. No amendment should be made to the bill to suit the wishes of two or three organizations, especially when it defeats the eight hour day, the object of the bill.

Mr. GORDON: It does not do anything of the sort.

Mr. MITCHELL: Yes, it does. It says it shall "continue in force unless suspended by the governor in council."

Mr. HANSON (York-Sunbury): Presently existing agreements where the eight hour day is the basic principle are to be continued in force until suspended by the governor in council, so that we do not upset all the existing conditions.

Mr. MITCHELL: The other day the government said they were giving industry three months to adjust itself. Even where there are not agreements in existence there must be a great deal of alteration and change before this bill can apply. Why should any one company be treated differently from industry in general? I can say very frankly that the great majority of men employed in the railroad industry in Canada are not in favour of this amendment. Knowing that I think it is only fair that I should say it.

Mr. HOWDEN: Is this legislation going to affect the help in charitable institutions? I mean cooks, engineers plumbers, carpenters, who are kept on steady employment?

Mr. GORDON: My view is that the class of employees that the hon. member has in mind could not be said to fall within the interpretation of industrial undertakings. I do not think they would come within the four corners of the bill or of the convention.

Mr. HOWDEN: Charitable institutions by and large are not money-making institutions.

Mr. HANSON (York-Sunbury): They are not industrial at all.

Mr. HOWDEN: It is hospitals I have chiefly in mind; they have a staff of engineers, plumbers, carpenters and decorators, and if these men are to be affected it is going to have an unfavourable effect on hospitals, and cause an increase in rates to sick people. They are not included in it?

Mr. GORDON: No.

Mr. MacINNIS: The first half of this amendment or a little more is the same as section 9 as it now stands. Section 9 in its present form provides that:

> The governor in council may, in exceptional cases where it is recognized that the daily limit of hours of work cannot be applied and agreements between workers' and employers' organizations to increase the daily limit have been made, give effect to such agreements and permit in such cases the said daily limit of hours of work to be exceeded: provided, however, that the average number of hours per week over the number of weeks covered by any such agreement shall not exceed forty-eight.

This amendment also gives the right to the governor in council, where agreements exist between workers and employers, to give effect to such agreements by regulation. Why then the necessity for the remaining part of the amendment, providing further for the case of an agreement made prior to the coming into force of the bill? This also has reference to agreements made prior, agreements now in existence. Although the basic principle may be the eight hour day it may operate so as to allow certain employees to work much longer than eight hours. If we are to have an eight hour day act any number of sheltered employees in any organization should not be allowed, by agreement with their employers or otherwise, to get away from the provisions of the act. I think that the committee should oppose this amendment.

Progress reported.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 14, 1935

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

IMMIGRATION

Mr. FONTAINE:

1. How many immigrants were admitted into Canada, during each year, between 1911 and 1929 inclusive?
2. What amounts were spent by the government for immigration purposes, each year, between 1911 and 1929 inclusive?

Mr. GORDON:

1 and 2.	Immigrants	Expenditures
Fiscal year 1910-11	294,517	$1,171,832 12
" 1911-12	334,853	1,469,764 28
" 1912-13	382,841	1,524,243 88
" 1913-14	367,240	2,003,445 90
" 1914-15	126,778	1,779,727 29
" 1915-16	37,453	1,428,072 98
" 1916-17	65,128	1,305,152 50
" 1917-18	65,945	1,370,560 70
" 1918-19	48,942	1,866,622 81
" 1919-20	108,408	3,905,063 67
" 1920-21	138,728	2,428,607 98
" 1921-22	82,324	2,221,731 94
" 1922-23	67,446	2,347,982 06
" 1923-24	145,250	3,474,997 20
" 1924-25	111,362	3,160,514 12
" 1925-26	96,064	2,622,850 16
" 1926-27	143,989	2,624,089 26
" 1927-28	151,600	3,034,421 99
" 1928-29	167,723	2,943,391 56
" 1929-30	163,288	3,084,278 13

SOLDIER SETTLEMENT

Mr. SPENCER:

How many parcels of dominion lands have been relinquished by soldier settlers since the soldier settlement department started operation?

Mr. GORDON: The answer is as follows: Number parcels dominion lands relinquished by soldier settlers not available. Total number soldier and civilian settlers in which lands including dominion lands have reverted to department, 13,012.

TRANS-CANADA HIGHWAY

Mr. BERTRAND:

1. What portion of road in Ontario, if any, was recognized as Trans-Canada highway by the dominion government?
2. Was it done by order in council?
3. If so, on what date?
4. Was there an order in council passed recommending a dominion contribution of 50 per cent towards the cost of the construction of any portion of Trans-Canada highway in Ontario: (a) in 1933; (b) in 1934?
5. If so, what were then the amounts contributed by the dominion government: (a) in 1933; (b) in 1934?
6. Towards what part of highway in Ontario known as Trans-Canada were these amounts paid?

Mr. GORDON:

1. Under relief legislation since 1930, the dominion has contributed to the province's expenditures on the following roads which have been designated by the province as Trans-Canada highway:

(a) Ottawa valley section, from Renfrew—Nipissing, Pembroke through Mattawa to North Bay.

[Mr. Fontaine.]

(b) Thunder Bay section from Schreiber to Nipigon, through Port Arthur and Fort William to English river.

(c) Western section from English river through Dyment, Dinorwic, Dryden, Kenora to Manitoba boundary.

(d) Hawkesbury—Pembroke.

(e) Vicinity of Arnprior and Braeside.

2. Works undertaken on the above sections of the Trans-Canada highway under the various relief acts, with the exception of those carried out under the Unemployment Relief Act, 1930, were approved by orders in council.

3. The orders in council authorizing dominion contribution to the above mentioned Trans-Canada highway construction are as follows: P.C. 2853, November 14, 1931; P.C. 310, February 13, 1932; P.C. 1022, April 30, 1932; P.C. 2344, November 13, 1933; P.C. 1023, May 17, 1934; P.C. 573, March 28, 1934.

4, 5 and 6. The dominion contributed towards the cost of work carried out during the fiscal year 1933 on sections (a), (b) and (c) above mentioned, 60 cents per man-day of work, the amount of the dominion contribution on these sections being as follows: section (a), $262,500; section (b), $300,000; section (c), $307,500. The dominion also contributed on a 50 per cent basis to work carried out during the calendar year 1933 on sections (d) and (e) above mentioned, the amount of the dominion contribution being as follows: section (d), $171,469.67; section (e), $1,209.01.

The agreement entered into with the province of Ontario under the provisions of the Relief Act, 1934, provides, amongst other things, that the dominion will pay to the province 50 per cent of such expenditures as may be approved by the dominion for highways designated by provincial order in council as part of the Trans-Canada highway, exclusive of the cost of administration and of acquisition of lands. Under this agreement dominion approval has to date been given for the building of 8·4 miles of Trans-Canada highway from Keewatin west at an estimated cost of $255,000, dominion proportion 50 per cent or $127,500 for which accounts have not yet been received.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BANFF, ALTA., PUBLIC WORKS

Mr. GARLAND (Bow River):

1. What is the total amount of money laid aside for the public works program in Banff and district?
2. Would this program include the construction of an administration building, the laying out of a golf course in connection with the

tourist camp, the road to Mount Norquay ski camp and the summit of Stony Squaw mountain?

3. At what rates of pay to the workmen were these propects to be carried on?

4. How many men have been employed on each project and for how long?

5. Has the work ceased on any of them?

6. If so, on which project and for what reasons?

PORT ARTHUR GOVERNMENT TERMINAL ELEVATOR

Mr. MOTHERWELL:

1. Is the federal government terminal elevator at Port Arthur still being operated by the government?

2. If not: (a) to whom was it leased; (b) when was it leased; (c) what were the terms and duration of such lease?

3. Did the government cease operating this public terminal elevator and lease it to a private concern?

4. If so, for what reason?

Mr. HANSON (York-Sunbury): Return tabled herewith.

COAL PURCHASES IN NOVA SCOTIA AND NEW BRUNSWICK

Mr. DUFF:

1. What are the names of the companies from whom coal was purchased in Nova Scotia and New Brunswick in the years 1934 and 1935 to date?

2. What quantity was purchased from each company?

3. What was the price paid to each company either f.o.b. cars at mine, or if delivered, state where and at what price?

4. What tonnage of coal was purchased from the United States in 1934, and at what price?

ROYAL CANADIAN MOUNTED POLICE

On the orders of the day:

Hon. PETER VENIOT (Gloucester): Mr. Speaker, I would like to submit a few questions to the Minister of Justice (Mr. Guthrie). I have these questions written down in order that there may be no mistake in the report of Hansard. Will the minister lay on the table of the house copies of the evidence and the report of the investigation held in Bathurst in 1934, into the allegation that the Royal Canadian Mounted Police had practised the third degree on a prisoner? Also copy of the evidence and report on the allegation that the patrol boats had lain for days at the wharf in Bathurst while smuggling was going on in the vicinity. Also a copy of the contract between the government of New Brunswick and the federal government in connection with the transfer of the enforcement of laws in that province to the Department of Justice through the Royal Canadian Mounted Police. Also a copy of the names of the provincial police of New Brunswick who were transferred from that force to the Royal Canadian Mounted Police when the latter took over the enforcement of provincial laws. Will the Minister of Justice lay on the table the decision of the appellate branch of the Supreme Court of New Brunswick in the matter of appeal in the case of the captain of the Paul T seized under the liquor law of New Brunswick in which certain questions were raised which may materially affect the investigation now proposed, and in which His Lordship, Chief Justice Baxter took part? Will the minister inform the house from whom he received the information that no person in Shippigan was on direct relief between May 1, 1934, and January 1, 1935?

Hon. HUGH GUTHRIE (Minister of Justice): These questions can go on the order paper in the ordinary way.

Mr. VENIOT: Then I will present this document to the clerk of the house.

EX-SERVICE MEN UNEMPLOYED

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, with reference to the order in council just tabled by the Minister of Pensions and National Health (Mr. Sutherland) with regard to the setting up of a committee to investigate the special situation of ex-service men who may be unemployed, may I ask the minister if it is the intention of the administration to submit the report of this committee to the house during the present session?

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): Yes, that is our intention.

PACIFIC HALIBUT FISHERMEN

On the orders of the day:

Mr. OLOF HANSON (Skeena): Mr. Speaker, I should like to ask the Minister of Agriculture (Mr. Weir) what progress has been made with respect to the application of the Pacific coast halibut fishermen to come under the marketing scheme. If they are to come under this scheme, I should like to know if it would be possible to have them brought in before the end of this month as fishing starts on April 1. I am told that they cannot be brought under the scheme but other industries have been taken care of and I should like to have an answer to my question.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, the hon. member for

Skeena (Mr. Hanson) was good enough to give me notice of this question. The scheme has been given consideration by the dominion marketing board; has been submitted to the Department of Justice with respect to the legal aspects; certain changes in the scheme have been referred back to the petitioners for their approval and certain other changes, if any are made by the Department of Justice, would have to be referred back to the petitioners for their approval. Copy of the scheme was submitted to the secretary of the United Fishermen's Union of British Columbia to give them an opportunity to make any representations they wish to make. They were given until March 15 to make representations. No opposition to the scheme has yet been received and it is expected the board will deal with the scheme early next week. It has been handled or dealt with in the same way as other schemes submitted.

PRICE SPREADS COMMISSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I should like to ask the acting leader of the government (Sir George Perley) if the government has received any intimation from the price spreads commission as to when its report will likely be presented?

Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, I have not heard anything about it.

Mr. MACKENZIE KING: Might it not be well to inquire so that the house may be informed as to when the report will likely be received?

Sir GEORGE PERLEY: I should like to know myself when it is likely to come in. If I get an opportunity I will inquire from the chairman and see whether he can give us any idea when it will come in.

EIGHT HOUR DAY

BILL TO LIMIT HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS

The house resumed from Wednesday, March 13, consideration in committee of Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the general conference of the international labour organization of the League of Nations, in accordance with the labour part of the treaty of Versailles of 28th June, 1919,—Mr. Gordon (for Mr. Bennett)—Mr. Morand in the chair.

P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Chairman, I have in my hand a letter addressed to the hon. member for St. Hyacinthe-Rouville (Mr. Fontaine) which I have been asked to read to the house in the absence of the hon. member. This letter is in connection with the working hours in certain industries such as the canning industry. The letter is dated February 26, 1935, and reads as follows:

> The convention applies to all industrial undertaking which of course includes all manufacturers. While we approve these regulations for the industry in general, on behalf of the canning industry we feel that certain provisions of these regulations would not work out satisfactorily in our industry, and would cause in some instances very serious hardship to the growers who are furnishing the raw products to our industry, as many factories are located in centres of a small population, and owing to the nature of our business whereas we may have heavy deliveries one day, and light deliveries another day, due to climatic or other conditions, we feel that it is pretty nearly impossible to secure sufficient help to work two shifts in these centres.
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> Also taking in consideration that all produce pertaining to a canning industry is perishable in a great many instances within few hours, therefore it is necessary that this produce be taken care of regardless to the hours we may have to do so, other than this it would be a total loss to the growers.
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> We also had instances where during the rush of the season the rain held farmers from harvesting their crop causing the factory to have to close up or work just few hours during that time, and was then necessary for the factory to work long hours to catch up again, or otherwise the grower would loose his crop. Owing to the fact that most canning factories are only a seasonal operation, we feel in this particular respect that there should be some special provisions to work hours necessary to handle farmers crops without any injury to the help.
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> We trust we have made ourselves plain and that you may see your way clear to take this matter before the house.
>
> Respectfully yours,
>
> St. Hyacinthe Canning Factory.
>
> (Signed) J. H. Logan.

A letter enclosing a copy of this letter was sent to the Prime Minister. I put this letter on record so that these people will have their wish known to the house.

Mr. GORDON: I move that section 9 as redrafted stand; I want to give it some further consideration.

Redrafted section 9 stands.

On section 10—Regulations.

Mr. HANSON (York-Sunbury): Section 10 is one to which a good deal of study has been given and we desire to make some amendments. In order to clarify them we have had a new section 10 drafted. I therefore beg to move that the section as at present printed in the bill be deleted and the following substituted therefor:

10. (1) The governor in council may by regulation except any or all employment in any industry from the limits of hours of work fixed by this act, whenever he is satisfied that,

(a) the work of the employees must necessarily be carried on outside the limits laid down for the general working of an establishment because it is preparatory or complementary, or that,

(b) the work is essentially intermittent in that,

(i) the worker is not continuously occupied during the hours of employment, or

(ii) the work is seasonal in its nature, or

(iii) the work is of such a character that it must necessarily be performed in variable periods of employment, or

(iv) the work in its nature is subject to intervals of discontinuance or variations in supply of raw materials, or that

(c) there is an exceptional pressure of work;

Provided that fair and humane conditions of labour in the matter of hours of work prevail in respect of such employment; and provided further that in the case of exceptional pressure of work the regulation shall be temporary.

(2) If any organizations of employers and workers concerned in the employment affected by any regulation made under this section exist, such organizations shall be consulted.

(3) Whenever it is practicable the maximum of additional hours shall be fixed by the regulations and in any such case the rate of pay for additional hours shall not be less than one and one-quarter times the regular rate.

Mr. NEILL: I wonder if the minister would let this new section stand over. It is so long and complicated that it is utterly impossible for one to grasp its scope by hearing it read even a couple of times. As I have heard portions of it read, it may go a long way to meet some of the objections I have raised, but I should like the minister to let it stand. It says something about "where it is possible"; that is rather difficult to understand in regard to fixing the maximum of additional hours. What does "additional" mean? Suppose in the fishing industry they work four hours to-day and want to work twelve hours the next day so that you have the equivalent of the eight hour day. Does the word "additional", carrying time and a quarter, apply on the second day to all the hours in excess of eight, or would it only apply to all the hours over forty-eight in a week? It makes a substantial difference. Apparently the purport of the amendment is to equalize the hours. If they have to work only a few hours to-day, owing to the fact that the fish are not coming in, they will work longer to-morrow. Now if the suggestion is that when they work four hours to-day and twelve the next day, under these circumstances, all the hours beyond eight on the second day must be paid for as time and a quarter, then there will be a hardship not only on those who are running the plant but also on the employees, because there will be a tendency for the plant on the second day to say, "We will not work over eight hours to-day because it will be too costly", and they might simply refuse to take the fish, with the result that men who have gone out on their own to get the fish will not be able to sell them.

Mr. GORDON: I think the regulations can take care of the situation suggested by the hon. gentleman. What he suggests is the intent of the law and I believe that is the proper interpretation to place upon it. If they worked four hours to-day and twelve hours to-morrow the time and a quarter would not apply.

Mr. NEILL: Would not?

Mr. GORDON: I do not think so.

Mr. NEILL: What about letting the section stand over?

Mr. STEWART (Edmonton): This morning I received a long telegram from the dairy companies in Edmonton, protesting against coming under the act. They do not desire to come under the provisions of the act at all As I understood the minister the other day, the act is wide enough to make provision for labour such as is performed for the dairy companies. Was I wrong in that?

Mr. GORDON: The amendment to section 10 will take care of that. It vests in the governor in council authority to make regulations so that the law can be adjusted to the dairy industry, and this I think is very important.

Mr. MacINNIS: The hon. member for Comox-Alberni has asked that this section be allowed to stand seeing that it is so complicated. It is quite impossible for anyone who has not read the amendment to follow all its implications. I cannot, and consequently I am unable to discuss it intelligently. It appears to me to be so farreaching as possibly to nullify the eight hour day law, and I cannot agree to it without having studied it. I would ask the minister to hold it over.

Mr. GORDON: I do not think the hon. gentleman need be worried about the des-

truction of the bill because of this amendment. The proposed amendments are designed to enable the governor in council by regulation to exempt in any industry such activities as cannot be strictly adjusted to the eight hour principle. That is the substance of the clause as redrafted. I hardly think it is sound to say that the clause as redrafted will work any such havoc to the bill as the hon. member suggests.

Mr. MacINNIS: I did not say that it would; I said that it might. The wording is very strong; it is to the effect that the governor in council may by regulation exempt any and all occupations from the effects of the eight hour day bill. The point I wish to raise is that the workers in the industry, for whom this legislation is ostensibly put on the statute books, have no say in its organization or management, or in the way in which it works. Consequently the employers may say that such and such is not feasible or possible; yet if an effort is made in conjunction with the employees by bringing them into consultation, such an outcome might be made possible. So I do not think it will work any hardship on the government or parliament to leave this clause over until, say to-morrow, so that we may see the amendment in Hansard and have time to study it.

Mr. MITCHELL: Anyone who has made a study of the conventions of the international labour office does not need to read the amendment; it is all there. I am not saying that the clause should not stand, but to anyone who has read article 6, this is strictly in accord with that article of the international labour office convention. I suppose the government feels it is necessary to make the clause read in that way. Article 6 reads:

> Regulations made by public authority shall determine for industrial undertakings:
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> (b) The temporary exceptions that may be allowed, so that establishments may deal with exceptional cases of pressure of work.
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> These regulations shall be made only after consultation with the organizations of employers and workers concerned, if any such organizations exist. These regulations shall fix the maximum of additional hours in each instance, and the rate of pay for overtime shall not be less than one and one-quarter times the regular rate.

As I understand the amendments as they were read, they were more or less in conformity with article 6 of the convention. If many men who work overtime in industrial organizations are granted time and a quarter by the laws of this country, this will put a great deal of money into the pockets of our workers.

[Mr. Gordon.]

Mr. HANBURY: There will be less overtime.

Mr. MITCHELL: That may be quite true. The clause covers compensation to workers. Notwithstanding opinions to the contrary, I have always held that the workers must organize in order to secure the full fruits of legislation on their behalf, and I have said this many times: If you think by giving three cheers and dropping a ballot in the box, your troubles are all over, you are just fooling yourself.

Mr. HANBURY: Wait until after the election is over.

Mr. MITCHELL: I am not talking about bed time stories; I am talking about practical things. In Great Britain and other European countries where labour organizations are powerful, naturally they had a great deal to do with drawing up these conventions which are all predicated upon the views of the workers themselves. If this legislation in its practical application gives an impetus to the organization of workers so that they can meet their employers—and I am not one of those who think employers and employees cannot sit down together and iron out their difficulties, because I have had some experience and I believe they can—the amendment will be a really constructive effort and will aid in bringing employees and employers together.

Mr. NEILL: The amendment may be all that the hon. member for East Hamilton says, but we do not know. I defy anyone to hear it read twice and be able to decide accurately whether it covers any particular industry or branch of such; not even a clever lawyer, let alone the average layman could do that. So far as I can judge the redrafted clause without having an opportunity to study it carefully, meets a good deal of the objections I raised the other day. As regards its application to the operation of canneries and fish plants, I should like to study it further.

Another point is this: there is an attempt to make it almost too comprehensive. It is sometimes a mistake to try to cover almost everything that can possibly arise, for when you finish you will find that you have left out the one thing you should have provided for. It is like a will. A man plans everything for his children and grandchildren, leaving out a provision for the very thing that does happen and that he could not foresee. I sent over to the minister a copy of the provision in the British Columbia law which has been in existence for eleven years, and which so far as I know, has not produced any friction.

It has the merit of being simple and I believe comprehensive also, but I suppose it would be too simple for the man who drafted this bill.

I want to make this one other point: I know the minister has had telegrams, because I have had copies of them, from the British Columbia Canners and pilchard men who protest very strongly at the idea of their being under this legislation. They point out, as the minister knows, that obviously their industry is highly seasonal and the commodity very perishable, subject to weather variations which no one can foresee and various other conditions of that kind. That is quite true. What they ask is, not that they shall have an opportunity of making representations and coming under the somewhat involved and uncertain procedure of the proposed clause 10, but to be exempted altogether under clause 2. In some industries near the border line, it might well be a matter of debate whether they should or should not be exempted, and in these cases I freely admit that it is for the minister or the governor in council to exercise judgment. But in this case there is no doubt; no one can say that there is any doubt that the fishing industry cannot be run on an eight hour day basis. It would be equally absurd to put the agricultural industry on an eight hour day and say that you can get out under clause 10. That clause states among other things that you have to consult organizations of employers and employees. In many of these industries there are not organizations or what would be considered by the government as organizations. Would it be half a dozen men in the particular factory or plant or some organization calling itself some kind of a union in British Columbia, with probably no interest at all in the merits of that particular industry? The clause also states that the maximum additional hours shall be fixed. Supposing there is a big run of fish coming in, have they to apply to Ottawa and say that such and such conditions prevail at this plant in this district; that under the weather conditions they could not get in with their fish yesterday and there is a heavy run today? Have they to apply to Ottawa, because the clause speaks of the power of the governor in council, to fix additional hours—and of course you can do anything if you take long enough to do it? But they cannot be fixed in that way and a business cannot be run by applying to Ottawa three thousand miles away. Here is a condition that prevails on Thursday and when they ask for relief, the reply comes back the following Tuesday. For instance, there is a steel plant with an excess of orders; that would be an unusual condition, but everyone present knows and, still more, everybody connected with the fishing business knows you cannot run it on an eight hour day basis. Then why play with the subject? Why suggest that it can be so run? Why not give them now the exemption which must be granted eventually? Otherwise delay is caused, and delay in the fish business means money and a great deal of it, because once the fish gets past its best, there is a heavy loss. Away out in some remote place where there is not even a radio service, they have to apply to Ottawa for an additional number of hours which may vary to-day from those of last week. It is on those grounds that the cannery men and the fish reduction plants ask that their exemption shall be definitely provided for in the bill, so that they may not have to trust to the, so to speak, day to day application. Of course it says "permanent exemption" but further on it say "wherever it is practicable the maximum of additional hours shall be fixed...." Can you fix them weeks or months ahead? It would have to be done day by day as occasion arose. You could not say that on a certain Tuesday of next month or three months hence so many additional hours should be permitted. It is for these reasons that these men ask that they be exempted finally in the bill itself.

Mr. MacNICOL: The amendment may cover the subject matter of one or two questions I had intended to ask, in order to get a clear conception of some phrases in sections 9 and 10, but as I could not hear all that was read, perhaps if I ask the minister now he will answer what I have in mind.

I am concerned about the promptness with which the governor in council will reply or attend to requests from industries for the privilege of changing the schedule of hours. I can quite see circumstances that would result in serious loss as far as employment is concerned if a speedy reply were not given to such a request. I have in mind some half dozen schedules used in various groups of industries. In group No. 1 they work from 8 to 12 in the morning and from 1 to 5 in the afternoon and on Saturdays from 8 to 12 in the morning, making a forty-four hour week. Group No. 2 works from 7.20 to 12 in the morning and 1 to 5 in the afternoon and on Saturdays from 7.20 to 12 making a forty-eight hour week. Group No. 3 work from 8 to 12 in the morning and 12.30 to 4.30 and do not work at all on Saturday, a five day week of forty hours. Group No. 4 work from 8 to 12 and 1 to 5 for five days, and on Saturday from 7 to 12 a week of forty-five hours. Group No. 5 work from 7 to 12 and

1 to 5 and five hours on Saturdays making a fifty hour week. Group No. 6 work from 7 to 12 and 1 to 5.45 for four days, eight hours on Friday and do not work on Saturday, making a forty-seven hour five-day week.

I should like to ask a question, particularly in relation to groups 1, 3, 4 and 5 which work from forty to forty-five hours a week. If the management of such companies or groups wish to increase their schedules to forty-eight hours a week will they, working less than the 48 hour schedule, have to get an order from the governor in council to do it and if so will it be possible to obtain that order promptly.

Then I have in mind one or two other conditions in connection with great industries. Section 7 does give certain relief in case of urgency, and section 9 applies to the same matter. I have in mind a company receiving a rush repair order to turn out, say a new line-shaft or to make a large gear, for the want of which, employment in the whole plant is subject to disarrangement. In shaft or gear manufacturing companies their schedules are set. At present they are running on a forty hour week. What will happen in such a case where a rush order has to be taken care of? They can put some of the men to work and send the others home to sleep or to rest while others work so that operations can be continuous until the repairs are finished. I would like to know if this bill provides completely for such a case, where twenty or thirty hours or more may be consumed in making a rush repair. That will of course upset the eight hour day schedule, but that schedule can be taken care of in the three weeks allowed under one of the other sections. But what I want to ascertain is, would such a company have to have an order in council to expedite that work, and, if so, whether the order in council would be available forthwith. After all the objects of this bill as I see them are good and among other things are designed to give the workers more leisure time and to increase the number employed. It was said yesterday that this bill would not result in any increase in the numbers employed through a reduction of working time. But anyone who has served in industry a long time knows that the reduction in hours will increase employment; perhaps not in plants in which the machines are of such a nature that they can be speeded up, but certainly in plants in which precision is the main factor the numbers to be employed will be increased.

I have in mind another case, a very recent one, in which a company was asked to produce a large order of motor engine units complete. The competitor of the Canadian company was a company in Dayton, Ohio, and the company had to make up its mind quickly, because the delivery schedules were fairly large. During December they were to turn out twenty-five engines a day, then in January up to the 15th they were to produce one hundred and fifty a day, and after January 15 the number was to be one hundred and eighty-five a day. But every hon. member knows that motor car sales have increased tremendously of late, and in this case the purchasing company jumped the schedule of deliveries to two hundred a day from January 1, and two hundred and fifty on the 15th and on the 18th to four hundred a day. Now men who are capable of turning out engine units are not on tap, they have to be trained. This company so as to retain the business immediately asked the Ontario labour department to permit them to extend the hours of labour and to work in preparation part time on Sundays, and the request was granted. They then proceeded to train men, and took on about one hundred that could be specially trained to mould non-ferrous engine units. The result was that for the first week they were compelled to raise their schedule up to seventy-two hours, but the second week through additional employees they were able to reduce it to sixty hours and for the third week to fifty-five hours and during the fourth week were able to get back on the schedule of forty-eight hours after having trained additional men. I would like the minister to make clear just what a company in that line of manufacture would have to do under this bill, having in mind that the principal object of such legislation is to increase the numbers employed in industry. I could give numerous examples along the same line, but perhaps one answer will cover it all.

Then I have one or two other questions. I have forgotten which clause refers to the three weeks permit for extending hours of labour. Everyone associated with industry knows the pay schedules are not on a three weeks' basis. They are on a two weeks' basis, and it might be advantageous to either reduce the period to two weeks or extend it to four weeks. I have no doubt that in the administration of the act some relief will be given in this regard, because after all length of pay schedules has some bearing in this connection. I should like the minister, however, to indicate clearly just how an order in council can be passed quickly enough to permit rush work to be carried on as I have indicated.

Mr. GORDON: If the act goes through with the amendments which will follow the one now under discussion it will not come into force for a period of three months after the date of assent. In the interval the governor in council must make these regulations. I do not think the hon. member who has just taken his seat need have any fear with respect to the schedules of pay to which he has made reference, so long as they do not do violence to the eight hour day principle. Regarding those rush orders and the exceptional pressure of work to which reference has been made, it will not be necessary in each case for those concerned to come to Ottawa in order to secure permission to go outside the main sections of the bill. Under the amended section power is given to make a regulation which will cover cases of exceptional pressure of work in all industry. If occasion should arise when there is a rush order such as the hon. member has suggested, there will be no necessity of coming to Ottawa because the regulation will be there, covering an exceptional pressure of work, and the regulation will exempt that industry from the operation of the bill. I do not think any difficulties will arise in connection with those matters to which the hon. member has made reference.

Mr. NEILL: Would the minister allow a question? Does not the amendment say that the governor in council must be convinced of these facts? That involves placing the facts before the governor in council in each case, does it not?

Mr. GORDON: I think not.

Mr. CHURCH: I have read the proposed amendment to section 10 and I fail to see how it improves the section. In this country there is altogether too much in the way of contracting industries outside the provisions of statutes. This amendment gives the employer and employee the right to contract themselves out of the operations of the statute. I contend that there is altogether too much law about this act. If we are going to do something practical about an eight hour day we should cease being lawyers and think of the work done in the last few months and the revelations brought out here in Ottawa by one of the select committees of the House of Commons. We should cease pussyfooting in connection with these large corporations, mergers and combines in restraint of trade in this country, that can go to whatever government is in office and have orders in council passed. I sat in opposition as a private member and I am speaking to-day as a private member; after all is said and done, a private member who represents three hundred large and small industries in his riding is the connecting link between the government of the day and the electors of that riding. I represent many working people and a large number of industries, many of which are going to find the cost of operating their plants increased as a result of this legislation. The same thing applies to chain stores to whom this act will apply. In connection with drug stores, the chain drug stores will have to increase the number of their employees and, consequently, their cost of operation, while another store perhaps next door and all the small retail stores will not be affected by the act at all. The employees in that store can work twenty-four hours a day in competition with the chain store or those who have to close.

For some seven years I was a police commissioner of the city of Toronto; for some seventeen years I was a member of the city council. We had the eight hour day; when my hon. friend from Parkdale (Mr. Spence) was a member of the council, we applied the eight hour day to all city services, including the police and fire departments. For many years the police had only one day off a month; to-day they have one day off every week, and the white collar workers of the city have had a seven hour day for forty-five years and a half-holiday from noon on Saturday.

This principle of permitting individuals to contract themselves out from under the operation of particular statutes is a vicious principle. When I was in opposition I condemned government by order in council, and I have heard other members sitting on this side do the same thing. If we want to do something practical, in view of the revelations that have been made here in the special inquiry, let us either have an eight hour day or not have it. I regret that we have had to lean on the League of Nations in order to bring in this measure. In the city of Toronto we put it through in connection with the estimates. The League of Nations is all very well in its way, but it is only for those who cannot help themselves. Every time we introduce a statute in this parliament to improve the condition of the workers we are met with the same objection; hon. gentlemen opposite refer to the British North America Act and say the proposed act is ultra vires of this parliament. They are very fond of raising the constitutional question. For nine years they sat over here; they had the example of the city of Toronto before them, but they did nothing to give the workers of this country an eight hour day. The day

before yesterday the Ontario members representing maritime cities on lake Erie and lake Ontario brought a deputation before the Minister of Marine. What were they asking for? This is a class of casual labour, which is referred to in the proposed amendment; this is casual seasonal labour for the summer and may be excepted by this amendment. The shipping interests on the great lakes are the most determined opponents of this act. They treat the men on some of these boats like cattle. The members representing Ontario maritime cities know the revelations which were contained in a memorandum prepared by these gentlemen.

I should like to refer also to the oil companies, the gasoline companies, the textile industry and the tobacco industry. Those are some of the people who are evading the law. They get over the law; they just snap their fingers at this parliament. Some of our oil companies are owned by United States companies, or interlocked with them, and the way they treat many of their employees in the larger cities is a disgrace. They give them a few dollars a week, mix them up in sports a little and then work them long hours. I know some of them worked twelve and fourteen hours a day, and some even longer. In the shipping business the situation is even worse. In the summer time off the exhibition grounds we often see these sand boats out in the lake, loading sand which is taken to the cities to be used by contractors and public bodies. Many of them work on Sundays, seven days, and the employees work many hours a day. If this amendment goes through I am afraid delegations will be in Ottawa continuously, going over the head of this parliament and appealing to the governor general in council.

I do not wish to criticize this legislation too much, but as I say I am sorry we have had to lean on the League of Nations. To-day the British North America Act is not an act for the living at all; it is an act for the dead. You cannot solve any economic problem in this country so long as that act remains in force. It is the old man of the sea on the backs of the people of this country, and it is a millstone around the neck of this parliament. You can cure no disease in the body politic or the body economic while that act exists. Whenever we attempt to do something we are met with opposition both in this house and on the part of the provinces, and as a result we sit here day after day and accomplish nothing in the way of relieving some of our economic problems. I know that the present government are pioneers in this work. I sympathize with the government in having to draft the act in view of the attitude that is being taken by the opposition at the present time, and also because of the great burdens and artificial barriers that are being placed on business to-day and which make it almost impossible for business to carry on and therefore as I say I sympathize with the government in trying to hold an even balance in connection with this act.

I think it would be far better, instead of having a bill of thirteen clauses, to have written just one clause into the criminal code to effect the purpose we have in view in this act. It need only be a simple thing, like the Lord's Day Act, the Alien Labour Act and others, and once it is written into the code it should be strictly enforced. Of course, the industry of farming should be exempted. The farmer's capital has gone and to-day he cannot make his production costs. He is in such a position that he is to be pitied and sympathized with. We should also exempt a few of the industries dealing with the products of the sea, the soil, the forest and the mine. I admit that there are some industries that should be excepted, including our great agricultural industry. But so far as industry in general is concerned there should not be one law for the rich and another law for the poor. This particular section 10 contains some eighteen or twenty subsections and the penalties which we are providing for an infraction of these subsections are just as great for the small man as for the big corporation. Persistent evaders of the law should be treated differently from the small storekeeper. I know that most stores are exempt from this legislation, but some are not, including some of the chain stores. I believe that a civilization that is based on principles such as long hours of labour, sweat shops, and child labour is in need of immediate and drastic overhauling and should no longer be tolerated in this country.

I am sorry that the bill does not go further than it does. No doubt it is a very good bill in many respects, and it is a start in the right direction, but like the Liquor Control Act of Ontario it will no doubt be evaded. This act should have more teeth put into it to take care of these persistent evaders, and we know there are such from the evidence that has come out before one of the committees of this house in the past fifteen months. This act should be enforced by the police court, upon summary conviction, and there should be no appeal from that court's decision. It's decision should be final. Otherwise the large corporations can engage lawyers to argue along

the lines that have been used by hon. gentlemen opposite, that this legislation is unconstitutional. I believe that if we are going to do anything in a practical way we should not have a lot of exceptions and provisos put in the statute, but rather have one simple clause inserted in the criminal code. Why, Mr. Chairman, in 1847 England adopted an act, upon the initiative of Lord Shaftesbury, dealing with the sweat shop and providing for a shorter working day, of ten hours, and now, nearly a hundred years after, the Canadian parliament is arguing about excluding some industries from the eight hour day. That act of 1847 was the first parliamentary act of christian socialism, and it was christian socialism based on the evangelical Wesleyan-Oxford movement and principles, and of Shaftesbury and men of that description. Christian socialism is not a thief; it is a policeman, and we want police to enforce this act, or the large corporations will be coming to the government of the day and asking for an order in council to get their industries exempted. This act with all its provisos and exceptions will be taken advantage of by just the very people that parliament intends to have it apply to. They will find a way of evading the law.

The quicker we can write an eight hour day into our law for industry, the better, and it should apply to all industry. Hours of labour and the length of shifts should be reduced. I hope the day is not far distant when this government will adopt the five day week and a shorter working day as a trial for one year, for the thousands and thousands of its own employees. That is the only way to make more jobs for soldiers and civilians. I have been a consistent supporter of this kind of legislation long before I was in this house.

I am sorry to see so many amendments being made to the statute because I do not think they are in the public interest and in the interests of a fair enforcement of this act. I believe that these large corporations I have referred to will find a way of evading the act over the head of parliament by getting an order in council passed. Some industries in Toronto and elsewhere, for instance, can come down here when parliament is not sitting and can get an order in council virtually nullifying what this parliament has done this session. What are we here for? Are the private members just a lot of proxies? We might as well have representation by proxy if that sort of thing is going to be done. Edmund Burke said that government is a practical thing, not something to please the fancy and imagination of ordinary politicians. We are sitting here and we should deal with the merits of the questions that come before us. Should we or should we not have an eight hour day, and if we are going to have an eight hour day should it apply to all industry and to department stores as well. These department stores followed the city of Toronto over early closing at noon on Saturday during July and August. They have had to reduce their hours, and did it voluntarily I may say.

They are not included under this bill because their maximum number of hours is a fair one, but I believe the day is not far distant when we shall have to have less government by order in council and more government by the high court of parliament.

Mr. GAGNON: Mr. Chairman, I desire to offer a few observations with respect to clause 10. I understand that this legislation is drafted to protect the workmen engaged in general industry, but of course I understand that parliament must make a distinction between Industry with a capital "I" and the small industry that is operated in the rural districts. I happen to represent a farming constituency and I have received a few letters from some small sawmill owners who are very anxious to find out whether they will be subjected to this legislation. I understand that the amendment which is now proposed is drafted in order to meet the exigencies of their situation and will probably afford them relief. I understand that the sawmill owners are carrying on very intermittent operations and that their work is seasonal. They have been working a few hours in a day and for only a few weeks in the year, and of course it would prove a hardship to them if they were subjected to this legislation. Therefore I would respectfully ask the minister whether in his view this amendment he is offering to the house would have the effect of affording relief to the small rural industries.

Mr. GORDON: Mr. Chairman, replying to the question raised by the hon. member for Dorchester (Mr. Gagnon) with respect to the small sawmill owner and those other industrial activities which are intermittent and seasonal in their character, they are taken care of within the terms of section 10, and they are also provided for, of course, in the convention itself. Section 10 as at present drafted carries out in substance and in spirit article 6 of the convention, and those seasonal activities will be exempt from the operation of the act. Of necessity they would have to be. You cannot apply, so far as I can see, a horizontal law right across Canada without

making exceptions of industries such as have been referred to by the hon. member for Dorchester.

Mr. MacINNIS: My objection to the section passing still stands. As the minister himself has asked that section 9 stand I cannot understand his objection to allowing this section to stand until we have an opportunity of studying the amendments. The section which is being substituted for the section in the bill is a long one and it is impossible to follow it simply by hearing it read once by the mover and once by the chairman. I think the hon. member for East Hamilton (Mr. Mitchell) has said that this section conforms exactly with article 6 of the convention. Section 10 as at present in the bill conforms exactly to article 6 of the convention. The section sets out that the competent authority may by regulation do certain things. It may make exceptions to be allowed in preparatory or complementary work. It may make regulations covering certain classes of workers whose work is essentially intermittent. It may also make regulations for temporary exceptions so that establishments may deal with exceptional cases of pressure of work. I think the section which it is intended to substitute goes much further than that. It will vest altogether too much power in the hands of the governor in council. As I said yesterday, if this law is within the competence of this parliament it is possible that it will supersede provincial legislation already on the statute books. I do not want to go back to British Columbia after having voted for legislation which is less stringent than the legislation already on the statute books of that province.

Mr. GORDON: If it will shorten the discussion, I can assure the hon. member that the further amendment which I intend to move as section 14 of the bill will take care of the provincial legislation.

Mr. MacINNIS: In view of the fact that all the amendments which have been offered so far have had the effect of weakening the bill, I do not feel greatly reassured to know that there are further amendments to be offered.

Mr. GORDON: The amendment I have just suggested is the very one the hon. member is advocating.

Mr. MacINNIS: I want the minister to understand that I am in favour of the legislation and I want to be able to vote for it when the final vote is taken. I do not want to have to refrain from voting because I do not understand the legislation. I believe that is what should be done by those who do not understand the bill. The minister has asked that section 9 stand and I think he should allow this section to stand until such time as the other section is being finally dealt with.

Mr. HANSON (York-Sunbury): If section 10 as now drafted and clarified is compared with article 6 of the convention I am sure that every fair minded man will say that it conforms to the convention and does not depart from it in any particular.

Mr. MacINNIS: In what respect does article 6 differ from section 10 as it now apears in the bill?

Mr. HANSON (York-Sunbury): Subsection 2 of section 10 states that the regulations shall fix a maximum of additional hours. In studying that subsection I gave one interpretation; somebody else gave another and yesterday the hon. member for Gloucester (Mr. Veniot) gave still another. We therefore decided that we would redraft this subsection in order to make it abundantly clear that it actually followed the wording of the convention. This was done for the purposes of clarification and not to limit or increase the scope of the section.

Mr. MacINNIS: I have article 6 before me and in my opinion section 10 as it now appears in the bill is exactly the same as that article.

Mr. HANSON (York-Sunbury): Of course, we do not agree.

Mr. MacINNIS: We can read it and follow the wording. I should like my hon. friend to assure the committee that the amendment now proposed is no different from section 10 of the bill and article 6 of the convention.

Amendment agreed to.

Section as amended agreed to.

Mr. HANSON (York-Sunbury): I move that Bill 21 be amended by inserting the following section immediately after clause 13 as clause 14:

Nothing in this act contained shall be construed as relieving any employer from any obligation under any provincial statute establishing shorter hours of work than those established under this act.

The intention is to take care of those cases where there is provincial legislation so that the hours of labour shall in no case be greater than those now in the provincial statutes when they provide for shorter hours than does this statute.

Amendment agreed to.

Mr. HANSON (York-Sunbury): I move that the bill be amended by inserting the

following new section immediately after clause 14 now carried by the committee as clause 15:

This act shall come into force three months after the date on which it is assented to.

The idea is to give industries and employers three months' time in which to adjust themselves to the conditions of the regulations.

Mr. MACKENZIE KING: Is my hon. friend not sure the idea is not to get past a general election before the validity of the act can be tested?

Mr. HANSON (York-Sunbury): I am quite sure.

Mr. MACKENZIE KING: We had exactly the same thing in the unemployment measure; its provision respecting payment is not to come into force for a few months. It will be the same I imagine when we come to the minimum wage and other social legislation.

Mr. HANSON (York-Sunbury): I do not think that suggestion is worthy of the right hon. gentleman.

Mr. LAPOINTE: We have the wording of the bill.

Mr. HANSON (York-Sunbury): Are you against the bill or are you for it?

Mr. MACKENZIE KING: We want to get it in force; my hon. friend does not want that.

Mr. HANSON (York-Sunbury): If my right hon. friend was a practical business man, which he is not, he would know that a bill of this character could not be put into force immediately upon assent.

Mr. MACKENZIE KING: Then why did my hon. friend not have that provision in the bill; why does he come along with his amendment now?

Mr. HANSON (York-Sunbury): Because I did not have an opportunity of studying it.

Mr. LAPOINTE: You had better keep your good manners.

Mr. MACKENZIE KING: It is the hon. member's colleagues then who are at fault not himself?

Mr. MARCIL: I should like to ask the minister if this bill will apply to agriculture, fishing and lumbering as we know these industries down in our part of the country?

Mr. HANSON (York-Sunbury): If the hon. gentleman would be good enough to read the definition of industrial undertaking as given in section 2, I am sure he could answer his own question. It applies to the industrial life of the country and does not apply to what my hon. friend has referred to.

Mr. MARCIL: I wanted to make sure.

Amendment agreed to.

Mr. MACKENZIE KING: May we return to section 9?

Mr. GORDON: A little while ago I asked to have section 9 stand because I want to give it further study. The suggested amendment is a very important one.

Mr. LAPOINTE: Is an amendment suggested to section 9?

Mr. HANSON (York-Sunbury): Yes. Objection was taken to the amendment yesterday by the hon. member for East Hamilton (Mr. Mitchell) and we wish to study the matter carefully. It is involved and the ramifications are very great. We do not want to do injustice to anyone.

Mr. GORDON: I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

WEEKLY DAY OF REST

BILL FOUNDED ON CONVENTION OF INTERNATIONAL LABOUR ORGANIZATION AND TREATY OF VERSAILLES

Hon. W. A. GORDON (Minister of Labour) moved the second reading of Bill No. 22, to provide for a weekly day of rest in accordance with the convention concerning the application of the weekly rest in industrial undertakings adopted by the general conference of the international labour organization of the League of Nations, in accordance with the labour part of the treaty of Versailles of June 28, 1919.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I have looked at the bill and compared it with the Lord's Day Act and with what is provided by the statutes of the different provinces and it does not appear to me that the bill either adds to or subtracts from the law as it is at the present time, and there is therefore no reason why exception should be made to the second reading beyond what I have indicated. It does seem to me that what would better meet the needs of the day would be a bill providing for the certainty of one day's work in seven instead of one day's rest in seven.

Mr. GORDON: I thank the right hon. gentleman for his contribution to the debate.

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

Section 1 agreed to.

On section 2—Industrial undertaking.

Mr. HANSON (York-Sunbury): A slight amendment is proposed to section 2. The section reads:

In this act, unless the context otherwise requires, the term "industrial undertaking" includes—

(a), (b), (c) and (d), and (d) reads:

Transport of passengers or goods by roads, rail, or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

The word "roads" in line 21 is a mistake; it should be "road." It is proposed to omit the words "or inland waterway." I move therefore that section 2 be amended by striking out in subsection (d) the words "roads, rail or inland waterway" and substituting the words "road or rail." That would have the effect of correcting the typographical error and omitting the words "or inland waterway."

Mr. MITCHELL: Why are these words omitted?

Mr. GORDON: It will be noted that these words do not appear in Bill No. 21. Yesterday, in discussing one of the sections of Bill No. 21, the hon. member for East Hamilton (Mr. Mitchell) referred to the convention and made some observations with respect to the omission of these words from that bill. Article 1 of the convention on which Bill No. 21 was founded reads:

Transport of passengers or goods by road, rail, sea, or inland waterway, including the handling of goods at docks, quays, wharves, and warehouses, but excluding transport by hand.

The provisions relative to transport by sea and on inland waterways shall be determined by a special conference dealing with employment at sea and on inland waterways.

The countries that were signatories to the treaty, and involved in the adoption of the convention, held two conferences, one in 1920 and another in 1929, with a view to arriving at some decision with respect to including such transportation in the convention. The countries were unable to come to any decision in the matter, and very much the same difficulty arises in incorporating transportation by sea and on inland waters into Bill No. 22 which is now before us. I have gone into it carefully and have come to the conclusion that it would be impossible to incorporate in the bill such transportation in Canada, where we have vast inland waters. In my judgment, and in the judgment of many of those with whom I have discussed the matter, it is not possible.

Section agreed to.

On section 3—Period of rest of twenty-four hours in each seven days.

Mr. HANSON (York-Sunbury): There is a short amendment to this section, the addition of a new subsection 4.

The provisions of this section shall not apply in the case of persons holding positions of supervision or management, nor to persons employed in a confidential capacity.

It is represented that there are occasions in the railway companies when supervisory officers must, in case of emergency or of accident, do some work on the day of rest, and this is to exempt them and them only.

Mr. MITCHELL: They are exempted already.

Mr. HANSON (York-Sunbury): We do not think so, and so I am moving that a new subclause 4 be added to clause 3 of the bill. It is in Bill No. 21 that I think the hon. gentleman will find the provision, but not in Bill No. 22, and it was left out by mistake.

Mr. MITCHELL: That is right.

Amendment agreed to.

Mr. MARCIL: I would like to direct the attention of the minister to the fact that in Quebec a great deal of objection is being taken to Sunday work especially in the paper mills. Many actions have been taken under the provincial law. Does this legislation encourage greater respect for the Sabbath day, or does it allow the law to stand as it is now, because there are many complaints of the kind I have mentioned?

Mr. HANSON (York-Sunbury): Notwithstanding the opinion expressed a few minutes ago by the leader of the opposition, we believe this legislation will encourage a greater respect for the Lord's day.

Mr. MARCIL: In the paper mills it is contended that there is a class of work that must be done on Sundays and great objection is taken to this by people who have brought charges against the companies under the provincial act.

Mr. LAPOINTE: It is a federal act.

Mr. MARCIL: The Lord's Day Act. Will this supersede the Lord's Day Act or amend it in any way?

Mr. HANSON (York-Sunbury): I would direct the hon. member's attention to the provisions of subclause 3 of clause 3 which states:

This period of rest shall wherever possible be the Lord's day as defined in the Lord's Day Act, chapter 123 of the revised statutes of Canada, 1927.

The intention is that it shall give effect to that as the day of rest.

Clause 3 as amended agreed to.

On clause 4—Regulations for total or partial exceptions.

Mr. NEILL: Should the word not be "exemption" instead of "exception"?

Mr. HANSON (York-Sunbury): It means the same thing.

Mr. GORDON: I think the terms are interchangeable.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Penalty for violation.

Mr. STITT (Nelson): I would like the minister to assure me and the committee that this legislation is going to be enforced. In my constituency there is a situation where several mines work seven days a week, three shifts a day, and there are a number of miners working in and around these mines. The office staff including the stenographers have to work seven days a week. There are a number of conscientious objectors there, but when they object they have to do so under their breath, because any man who does not appear on Sunday loses his job on Monday. I do not want to see the employees have to face that sort of thing. I do not think there is in this legislaiton anything that does not appear in the Lord's Day Act, and if it is not to be enforced any better than that act, there is no sense in our passing it. I would like to know if this is to be rigidly enforced so far as it is humanly possible to do so.

Having worked in the mines for some years and knowing something about them, I know there are many jobs that have to be done on Sundays. A mine working three shifts every day in the week cannot timber in the new haulage ways, or cannot break into new crosscuts, or repair machinery while the plant is running; some work has to be done on Sundays. The same thing applies to the roaster, the smelter and the mill. The furnaces have to be kept white hot; there have to be men there on Sundays, but while I appreciate the fact that some exceptions will have to be made, great care will have to be taken to see that there are not too many abuses. I hope the companies will be given ample time to make the necessary adjustments.

Mr. MARCIL: Who will have charge of the enforcement of this law? Will it be the provincial or the dominion authorities?

Mr. GORDON: The enforcement of the law will be of course in the hands of any peace officer, whether he be an employee of the province or of the dominion, and I think it is the accepted and proper constitutional and legal course that the enforcement of these laws is primarily with the provincial authorities, but there is undoubtedly concurrent power in the dominion to see to the enforcement of the legislation.

Section agreed to.

Section 8 agreed to.

Mr. HANSON (York-Sunbury): I desire to move a similar amendment to that moved with respect to bill 21, namely a suspensory clause. I therefore move:

That Bill No. 22 be amended by adding thereto as clause 9 the following:
"This act shall come into force three months after the date on which it is assented to."

Mr. LAPOINTE: What is the justification for this? I quite understand that there may be a reason given for such a clause being inserted in the other bill in order to let industry and other interested parties adjust themselves to the new legislation, but why should such a clause be inserted in a bill to enact a weekly day of rest?

Mr. GORDON: I have given some thought to the question raised by the hon. member for Quebec East, and my view is that Bill No. 21 and Bill No. 22 are complementary in many ways. I can assure the leader of the opposition that I did not think he was serious when he made the suggestion he did a little while ago. There is no sinister purpose behind the postponement of bringing into operation these statutes, for the very obvious reason that industry must be given an opportunity to adjust itself to the provisions of these laws. That is the primary reason for the postponement of their coming into force. There is another reason with respect to Bill No. 21, and the same applies to this bill; regulations of necessity must be drawn, and drawn carefully, in order on the one hand that industry is not impeded needlessly, and on the other hand that the principle of the bill, namely, that an eight hour day shall prevail, is not imperilled.

That shortly is the reason why the amendment is sought to postpone the operation of the bill for three months.

Amendment agreed to.

Section as amended agreed to.

Mr. MACKENZIE KING: That last clause will be known as the general election provision.

Bill reported, read the third time and passed.

CANADA-FRANCE TRADE AGREEMENT

BILL TO CONFIRM ADDITIONAL PROTOCOL OF 1935 TO THE CONVENTION OF 1933

Hon. C. H. CAHAN (Secretary of State) moved the second reading of Bill No. 32, respecting the additional protocol of 1935 to the Canada-France trade agreement of 1933.

Motion agreed to and bill read the second time.

Mr. CAHAN: I intended on the second reading to make a general statement concerning the bill and the tariff item involved so that when it comes before the committee of the whole house hon. members may have a general view of all the provisions. For that purpose I should like to make a statement.

The house will remember that in the session of 1933 I introduced a bill to this house to confirm a commercial arrangement between Canada and France which was signed at Ottawa on May 12, 1933. I had the honour to negotiate at Paris with representatives of the government of France the provisions of that agreement which was confirmed by act of this parliament in the session of 1933. In negotiating that commercial arrangement, between the two countries, I was under certain disadvantages, due to the fact that the negotiations, opened as early as October, 1932, were begun with the government of Mr. Briand, that after the fall of that government I had to initiate the negotiations again with the government of Mr. Paul Boncour, and after that government had fallen I had to resume negotiations with the government of Mr. Deladier, which were postponed until a French commission came to Washington and I had an opportunity to continue negotiations at New York with that commission and at Ottawa with Mr. Arsène Henry the French Minister to Canada in respect of the matters which had been left unfinished in the negotiations at Paris.

In the negotiations at Paris the government of France naturally contended for more favourable terms of admission for French brandies, liqueurs and wines into Canada. Difficulties then occurred arising out of the empire trade agreements made at the imperial conference which had recently been held at Ottawa, because under the agreements then made with South Africa and Australia their wines were given certain preferential treatment, and, under the agreement with the United Kingdom made at that conference, brandies from the United Kingdom had preferential treatment on entry into Canada. After the agreement with France was signed at Ottawa on May 12, 1933, negotiations were reopened between the government of Canada and the government of France through Mr. Arsène Henry the French minister, with regard to more favourable terms of admission for French wines, liqueurs and brandies than were agreed upon in the convention of May 12, 1933. It was therefore necessary for the government of Canada to open negotiations with the government of South Africa and also the government of Australia on the one hand, and with the government of the United Kingdom on the other, before the concession which France then sought could be granted by Canada. Those negotiations proceeded until Mr. Arsène Henry left Canada with certain propositions which were to be placed before the government of France for consideration. Later the Prime Minister of Canada and the Under Secretary of State for External Affairs visited Geneva as representatives of Canada at the Geneva assembly of September, 1934, and on their return from Geneva a protocol forming a supplementary trade agreement between Canada and France was drawn up and signed in Paris by the Prime Minister on September 19, 1934. That new agreement conceded more favourable terms of entry to Canada on French wines, liqueurs and brandies, and it came into force by reason of a provision in the Tariff Act which enables the government of Canada by order in council to make concessions to a foreign country in consideration of equivalent concessions being made in the tariff of the foreign country with respect to importations into that country of Canadian goods.

The present bill is intituled an act rsepecting the additional protocol of 1935 to the Canada-France trade agreement of 1932. The term "protocol" is one employed, I believe, in diplomatic practice to denote an agreement, somewhat less formal than a convention and which usually revises or modifies an earlier treaty or convention. In the present case the draftsman of the bill has deemed it desirable to use the term "additional protocol" rather than the simple term "protocol"

in order to distinguish between the protocol as expressed in the arrangement which is annexed to the bill and confirmed by the bill and the notes signed at Paris by the Prime Minister on September 29, 1934, which were published in the Commercial Intelligence Journal issued by the Department of Trade and Commerce dated October 6, 1934, and are therefore quite well known in all commercial circles in Canada. But since those notes were signed and delivered in Paris certain other concessions have been made on both sides, so that the agreement which is now before the house for ratification by this bill embodies not only the concessions made by the notes of September 29, 1934, signed at Paris, but also additional concessions which have been negotiated since that time between our Department of External Affairs and the French government through the present French minister to Canada.

When the notes were signed in Paris it was contemplated that these further negotiations would take place, and therefore when certain other concessions were made by both parties they were embodied in the additional protocol which forms the schedule to this bill.

Certain difficulties had arisen with regard to carrying into full effect the commercial treaty of May, 1933. On June 16, 1934, Canadian wheat had become dutiable under the French general tariff, and the French exchange compensation surtax and the special import tax levied by France were detrimental to the improvement of Canadian trade with that country, the export of Canadian wheat and flour to France in particular being prejudicially affected. The first tariff reductions which were made upon the exchange of notes in September, 1934, were embodied and made effective by order in council P.C. 2420 under section 11 of the customs tariff, which provides that the governor general in council may by order in council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for reductions on Canadian products imported by any such country or countries. If the house so desires I will see that at the conclusion of my remarks a copy of that order in council is laid upon the table of the house for the information of hon. members.

After that exchange of notes the French government by administrative decree extended the benefits of their minimum tariff to a considerable list of Canadian products and accorded definite quotas on a number of Canadian products of classes subject to quota. The French government also reduced the special import tax and cancelled the exchange compensation surtax so far as Canadian goods were concerned. To make that clear may I state that after we had negotiated the convention with France of May 11, 1933, by which our exports to France were admitted under the minimum tariff, the French government undertook to limit exports from Canada to that country, while admitting them under their minimum tariff, by prescribing quotas by which our exports were restricted to certain quantities and certain times. Under the convention of May, 1933, two quotas were recognized, one on lobsters and the other on salmon products. Thereafter, however, due to the difficulties which the French government met in maintaining their currency on a gold standard, they felt impelled to restrict their importations from foreign countries, and they proceeded to make global quotas which restricted to certain quantities the entire imports into France from foreign countries, allotting to Canada a certain percentage of those global quotas. So although our products continued to be admitted under the minimum tariff of France the quantities which could be so admitted were restricted by their quota policy.

I would direct the attention of hon. members to schedule C of the protocol now under consideration. The additional protocol was mainly designed to extend tariff concessions on both sides to cover commodities which it was not found possible to investigate fully in the September negotiations, and if hon. members will allow me I will call attention to those additional concessions. Would it be necessary for me to read them or might I be allowed to place them on the record?

Mr. MACKENZIE KING: Certainly; put them on the record.

Mr. CAHAN: The statement is as follows:

On the Canadian side the intermediate tariff, less the discounts mentioned, was extended to the following additional French products:—

Number of French Customs Tariff	—	—
Ex 30...	Pepper, unground	Intermediate tariff less a discount of 20 p.c.
Ex 529...	Lace, nettings and bobinet, n.o.p., wholly of cotton	Intermediate tariff less a discount of 20 p.c.
529a..	Lace and embroideries, wholly of cotton, not coloured imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff less a discount of 15 p.c.
Ex 535...	Fibres of raffia or of sisal, n.o.p	Intermediate tariff less a discount of 20 p.c.
545...	Lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff less a discount of 20 p.c.
Ex 565...	Embroideries and lace, whether containing tinsel or not, nettings and bobinet, n.o.p	Intermediate tariff less a discount of 15 p.c.
Ex 568c..	Women's dress gloves of kid, elbow length	Intermediate tariff less a discount of 35 p.c.
Ex 529...	Lace and embroideries wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff: 17½ p.c.

A rate of 17½ per cent ad valorem, which is the same as the intermediate tariff rate, was accorded to "Lace and embroideries, wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories" (ex tariff item 529). This item is one on which the United Kingdom enjoys a margin of preference under its trade agreement with Canada and the revised rate was made after consultation with His Majesty's government in the United Kingdom.

Mr. CHAPLIN: What are the principal items?

Mr. CAHAN: Pepper, lace, nettings and embroideries of cotton, fibres of raffia or sisal, and embroideries of flax and then certain other items, women's dress gloves and certain other lines of embroideries wholly of cotton. There were also French products admitted into this country under the intermediate tariff with certain discounts therefrom which I should like to place on the record of the house.

Mr. MARCIL: Did rayon silk figure in these negotiations?

Mr. CAHAN: These are admissions from France and include fibres of raffia or of sisal, not rayon silk.

I want to make it clear that in consideration of the reduced Canadian duties which I have mentioned certain products of Canada were also admitted into France on their minimum tariff, in exchange therefor as shown in supplementary schedule A, as follows:

SUPPLEMENTARY SCHEDULE A

CANADIAN PRODUCTS SUBJECT, ON THEIR IMPORTATION INTO THE FRENCH CUSTOMS TERRITORY, TO THE DUTIES OF THE FRENCH MINIMUM TARIFF

Number of French Customs Tariff	—	—
Ex 16B	Frozen pig livers	Minimum tariff
Ex 49	Lobsters, preserved or prepared (within the limits of the annual quota)	Minimum tariff
68	Wheat, spelt, meslin in grain or in flour	Minimum tariff
69	Oats	Minimum tarifi
70	Barley	Minimum tariff
71	Rye	Minimum tariff
Ex 76	Groats and rolled oats	Minimum tariff
83	Potatoes destined to the French West Indies	Minimum tariff
Ex 115	Resinous products artificially prepared, except synthetic resins listed under item 0376 bis.	Minimum tariff
Ex 168	Wood-pulp, chemical, dry, bleached, treated with bi-sulphite, sulphate or soda	Minimum tariff
Ex 174	Whisky	Minimum tariff
222	Lead	Minimum tariff
224	Zinc	Minimum tariff
Ex 0376 bis	Synthetic resins produced by the condensation of aldehydes with vinyl alcohol	Minimum tariff
Ex 0381	Vinyl acetate	Minimum tariff
0381 bis	Derivatives of glycol, glycol ethylene (irgasol)	Minimum tariff
Ex 462	Insulating board of vegetable fibre of a thickness exceeding 10 m/m	Minimum tariff
Ex 495 C	Pen nibs of gold, including pen nibs for fountain pens	Minimum tariff
595	Casks, empty, serviceable, staves fitted together or not, hooped with wood or metal	Minimum tariff
597	Builders' and cartwrights' wood, shaped	Minimum tariff
600	Wood planed, grooved and/or tongued, etc	Minimum tariff
Ex 602 bis	Canoe paddles	Minimum tariff
603 quater A	Veneer sheets and leaves, etc	Minimum tariff
603 quater B	Veneers and counterveneers	Minimum tariff
603 quater C	Other wares of wood	Minimum tariff
617	River boats	Minimum tariff
617 bis	Collapsible canoes with hull of rubberized tissues	Minimum tariff
620 N, 1	Footwear of all kinds with uppers of rubber or other material, single or double, rubberized and soles of rubber or other material glued or attached in any other manner	Minimum tariff

These include the French items Ex 49, Ex 68, Ex 222, Ex 224, which were included in the former treaty of May, 1933; Ex 115 and Ex 462. Under certain items of the French tariff in the former treaty Canadian products were subject to maximum duties less certain discounts as shown in schedule B to this bill. They are now placed, not on the maximum tariff with a discount, but upon the minimum tariff for all purposes.

In addition it will be found that with the concessions made to France by Canada this rate of 17½ per cent ad valorem, in item Ex 529, which is the same as our intermediate rate, becomes a fixed rate for France for lace and embroideries wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories (Ex tariff item 529). This item Ex 529, is one on which the United Kingdom enjoyed a margin of preference under its trade agreement with Canada, and this reduced rate in favour of France was made after due consultation with His Majesty's government in the United Kingdom.

A change was made in the tariff classification of non-sparkling wine in the Canadian tariff (Ex 163). The concession of the intermediate tariff which prevailed under the agreement of May, 1933, was continued, less a discount of 63·63 per cent on all non-sparkling wines containing not more than 23 per cent proof spirit. Under the previous treaty the international tariff was restricted to non-sparkling wines containing not more than 23 per cent proof spirit, other than sparkling wines intended for sacramental use. This reduction of 63·63 will also extend to wines for sacramental use containing 26 per cent proof spirit. These wine concessions I shall detail with more particularity later.

On the other hand, on the French side, the concessions accorded to Canada by the exchange of notes of September 29 have by this official protocol been extended to include the following which are found in schedule A:

Item No.—		
83	Potatoes destined to the French West Indies	Minimum tariff
ex 115	Resinous products artificially prepared except synthetic resins listed under item 0376 bis	Minimum tariff
ex 168	Wood-pulp, chemical, dry, bleached, treated with bi-sulphite, sulphate or soda	Minimum tariff
ex 0381	Vinyl acetate	Minimum tariff
ex 495C	Pen nibs of gold including pen nibs for fountain pens	Minimum tariff
595	Casks, empty, serviceable, staves fitted together or not, hooped with wood or metal	Minimum tariff

In addition maple sugar and maple syrup, ex 91 and ex 93 of the French customs tariff, imported into France by the French Tobacco Monopoly for use in the preparation of tobaccos, were exempted from internal taxes.

These additional French concessions have already gone into force provisionally by administrative decree.

Now referring back to article 1 of the protocol, by this article Canadian products classified under twenty-eight items or parts of items of the French customs tariff are accorded the benefits of the minimum rates in place of the general tariff rates of France which were previously applicable to nearly all of them, and in order that this comparison may go on the record I am presenting the following table showing each of these items in the French maximum or general tariff which formerly applied of so many francs per 100 kilos, and the minimum tariff of so many francs per 100 kilos which will now apply. By reading that table in tabulated form it will be perfectly clear as to what are the reductions made in favour of these products.

The following table sets forth the general tariff rates as compared with the minimum tariff rates which now apply to Canadian products:

Item No.		General tariff Francs per 100 Kilos.	Minimum tariff Francs per 100 Kilos.
ex 16B	Frozen pork livers	200	100
ex 49	Lobsters, preserved or prepared	120	85*
68	Wheat, spelt, meslin, in the grain	160	80
	Crushed wheat and bran meal containing more than 10 per cent of meal	256	128
	Wheat flour at rate of extraction of:		
	70 per cent or more	256	128
	Between 60 per cent and 70 per cent	320	160
	Less than 60 per cent	370	185
69	Oats, in the grain	80	40
	Oats, crushed grain and bran meal containing more than 10 per cent of meal	118	59
	Oat meal	133	66·50
70	Barley, in the grain	80	40
	Barley, crushed grain and bran meal containing more than 10 per cent of meal	118	59
	Barley meal	133	66·50

Item No.		General tariff	Minimum tariff
		Francs per 100 Kilos.	
71	Rye, in the grain	80	40
	Rye meal	160	80
ex 76	Groats, rolled oats	160	80
83	Potatoes destined to the French West Indies:		
	March 1st to July 1st	84	42
	Rest of year	60	30
ex 115	Resinous products artificially prepared except synthetic resins listed under item 0376 bis	300	75
ex 168	Wood-pulp, chemical, dry, bleached, treated with bi-sulphite, sulphate or soda	16	13
ex 174	Whiskey, in bottles, jars or similar containers	2,200 francs per hectolitre of liquid†	550 francs per hectolitre of liquid†
	Whiskey in other containers	2,200 francs per hectolitre of pure alcohol†	550 francs per hectolitre of pure alcohol†
222	Lead ore, matte and slag of all kinds containing 30 per cent and less of metal	Free	Free
	Same containing more than 30 per cent of metal	1·30	1·30
	Lead in crude lumps, pigs, bars or slabs:		
	Argentiferous (containing 25 grams and more of silver per 100 kilos.)	4·25	4·25
	Non-argentiferous	48	12
	Lead alloyed with antimony, in lumps	44·20	11·05
	Lead, hammered	44·20	11·05
	Lead, rolled	114·40	28·60
	Lead fillings and scrap	23·80	5·95
224	Zinc ore	Free	Free
	Zinc in crude lumps, pigs, bars or slabs	56	14
	Zinc, rolled	120	30
	Zinc fillings and scrap	Free	Free
ex 462	Insulating board of vegetable fibre of a thickness exceeding 10 millimeters	224	56
ex 0376 bis	Vinyl acetate resin:		
	If soluble in oil and not polymerisable	200	50
	Capable of becoming insoluble and infusible	1,400	350
	Infusible	2,400	600
ex 0381	Vinyl acetate ad. val	80%	25%
ex 0381 bis	Derivatives of glycol	80% ad val.	20% ad val.
	Ethylene glycol (Irgasol)	800	200
ex 495C	Pen nibs of gold including pen nibs for fountain pens...per kilo.	16,000	4,000
595	Casks, empty, serviceable, staves fitted together or not, hooped with wood or metal—		
	Containing 500 litres or more	152	38
	Containing less than 500 litres	60·80	15·20
597	Builders and cartwrights wood, shaped:		
	Hard wood	70†	38‡
	Soft wood	66·60‡	35·40‡
600	Wood, planed, grooved and/or tongued, planks, strips or veneers for flooring, planed, grooved and/or tongued:		
	Of oak or hard wood	104‡	48·50‡
	Of fir or soft wood	81·80‡	42·95†
ex 602 bis	Canoe paddles:		
	Varnished, waxed or coated in any manner	400	100
	Other	240	60
603 quater A	Veneer sheets and leaves of common, fine, or cabinetmakers' wood, sawn, of a thickness of 2 millimeters or less, and such woods, rolled or sliced of any thickness, not assembled, planed or not, not cut for a particular purpose:		
	Of elm, poplar, pitch pine, fir or aspen	80	20
	Of other wood	120	30
	Painted, varnished or waxed of any wood	160	40
	Same, cut for a particular purpose	Duties as above according to kind, increased by 50%	
603 quater B	Veneers and counter veneers	425	106
603 quater C	Unspecified wares of wood	224	56
617	River boats	60% ad val.	15% ad val.
617 bis	Collapsible canoes with hull of rubberized tissue	1,200 fr. each	300 fr. each
620N1	Footwear of all kinds, with tops of rubber or of single or double rubber tissue and soles of rubber or other material, stitched on or fixed in any other way, with uppers and extending above the ankles	14 to 28 fr. per pair, but not less than 50% ad val.	3·50 to 7 fr. per pair, but not less than 25% ad val.
	Same with uppers extending above the ankle	40 to 144 fr. per pair, but not less than 50% ad val.	10 to 36 fr. per pair, but not less than 25% ad val.

*Minimum tariff granted to Canada within the limits of annual quota.

†Not including internal taxes.

‡Includes licence tax.

Mr. LAPOINTE: Were the items shown in schedule C under the general tariff or the intermediate tariff prior to this protocol?

Mr. CAHAN: If the hon. gentleman will turn to page 9 of the bill he will find schedule C. I could give him the general scope, but perhaps it will not be necessary.

Mr. LAPOINTE: No; it will be in Hansard.

Mr. CAHAN: I will have that schedule C put in Hansard. It is as follows:

SUPPLEMENTARY SCHEDULE C

French products subject on their importation into Canada, to the intermediate tariff rates less discounts as hereinafter indicated based upon percentages of the rates payable by virtue of said intermediate tariff or subject to the same rate as the British preferential tariff

Number of Canadian Customs Tariff		
Ex 17	Cheese— Roquefort, Camembert, Pont-l'Evêque, Bleu d'Auvergne, Munster	Intermediate tariff less a discount of 15 p.c.
Ex 30	Pepper, unground	Intermediate tariff less a discount of 20 p.c.
Ex 85	Mushrooms, canned, the weight of the packages to be included in the weight for duty	Intermediate tariff less a discount of 25 p.c.
Ex 141	Candied chestnuts	Intermediate tariff less a discount of 10 p.c. of the ad valorem rate.
Ex 156	Liqueurs	Intermediate tariff less a discount of 10 p.c.
Ex 156	Cognac brandy and Armagnac brandy	Intermediate tariff less a discount of 20 p.c.
Ex 160	Alcoholic perfumes and perfumed spirits— (a) when in bottles or flasks containing not more than four ounces each	Intermediate tariff less a discount of 33·33 p.c.
Ex 163	Wines of the fresh grape of all kinds, not sparkling, imported in barrels or in bottles— (a) containing not more than 23 p.c. proof spirit	Intermediate tariff less a discount of 63·63 p.c.
	(b) for sacramental purposes, containing not more than 26 p.c. proof spirit	Intermediate tariff less a discount of 63·63 p.c.
165	Champagne and all other sparkling wines— (a) in bottles containing each not more than a quart but more than a pint (old wine measure)	Intermediate tariff less a discount of 20 p.c.
	(b) in bottles containing not more than a pint each, but more than one-half pint (old wine measure)	Intermediate tariff less a discount of 20 p.c.
	(c) in bottles containing one-half pint each or less (old wine measure)	Intermediate tariff less a discount of 20 p.c.
	(d) in bottles containing over one quart each (old wine measure)	Intermediate tariff less a discount of 20 p.c.
Ex 178	Advertising and printed matter, on paper or cardboard, printed in France, in the French language, describing and accompanying French products	Same rate as British preferential tariff.

SUPPLEMENTARY SCHEDULE C—Continued

French products subject on their importation into Canada, to the intermediate tariff rates less discounts as hereinafter indicated based upon percentages of the rates payable by virtue of said intermediate tariff or subject to the same rate as the British preferential tariff

Number of Canadian Customs Tariff		
Ex 197 Ex 198	Cigarette paper, gummed or not, in rolls	Intermediate tariff of Item 197 less a discount of 10 p.c.
Ex 199	Cigarette paper, gummed or not, in tubes, booklets or packets	Intermediate tariff less a discount of 15 p.c.
Ex 529	Lace, nettings and bobinet, n.o.p., wholly of cotton	Intermediate tariff less a discount of 20 p.c.
Ex 529	Lace and embroideries, wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff: 17½ p.c.
529 a	Lace and embroideries, wholly of cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff less a discount of 15 p.c.
Ex 535 a	Fibres of raffia or of sisal, n.o.p.	Intermediate tariff less a discount of 20 p.c.
545	Lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	Intermediate tariff less a discount of 20 p.c.
Ex 565	Embroideries and lace, whether containing tinsel or not, nettings and bobinet, n.o.p.	Intermediate tariff less a discount of 15 p.c.
Ex 568 c	Women's dress gloves of kid, elbow length	Intermediate tariff less a discount of 35 p.c.

For instance, Ex 17, cheese, Roquefort, Camembert, et cetera; this item is now subject to the intermediate tariff less a discount of 15 per cent while formerly the discount was 10 per cent. Ex 30, pepper; this is a new item and it is placed in the intermediate tariff less a discount of 20 per cent. The next item is mushrooms, canned; formerly this appeared in the intermediate less a discount of 20 per cent, it now has a discount of 25 per cent. Item Ex 141, candied chestnuts, is a new item to which the intermediate tariff applies with a discount of 10 per cent. Ex 156, liqueurs, was previously under the intermediate tariff; it is now under the intermediate tariff less a discount of 10 per cent. Ex 156, Cognac brandy and Armagnac brandy; formerly this item was under intermediate tariff but it is now under the intermediate tariff less a discount of 20 per cent. Ex 160, alcoholic perfumes, et cetera, were previously under the intermediate tariff; they are now under the intermediate tariff less a discount of 33·33 per cent. Ex 163, wines of the fresh grape of all kinds, not sparkling, imported in barrels or in bottle; the first division of this item was previously under the intermediate and it is now under the intermediate less a discount of 63·63 per cent. The next division of the item was previously under the intermediate tariff; it is now under the intermediate less a discount of 63·63 per cent.

Mr. LAPOINTE: How would that compare with wines from Australia or South Africa?

Mr. CAHAN: I shall have to ask for advice with regard to that. The next item is 165, champagne and all other sparkling wines. The four divisions of this item were previously under the intermediate tariff; they are now

under the intermediate tariff less a discount of 20 per cent. Ex 178, advertising and printed matter, is now given the same rate as the British preferential tariff. Ex 197, cigarette paper, was formerly under the intermediate tariff; it is now under the intermediate tariff less a discount of 10 per cent. Ex 199, cigarette papers, in tubes, was formerly under the intermediate tariff less a discount of 10 per cent; the discount has been increased to 15 per cent. Ex 529a, lace, nettings and bobinet, wholly of cotton, was under the intermediate tariff; it is now under the intermediate tariff less a discount of 20 per cent. The next item, lace and embroideries, was previously under the intermediate tariff; it is now under the intermediate tariff with a fixed rate of 17½ per cent. Item 529a, lace and embroideries, wholly of cotton, not coloured, was under the intermediate tariff; it is now under the intermediate tariff less a discount of 15 per cent. Ex 535a, fibres of raffia or of sisal, was on the intermediate tariff less a discount of 10 per cent; it is now on the intermediate tariff less a discount of 20 per cent. Item 545, lace and embroideries, wholly of flax, et cetera; this item was previously under the intermediate tariff less a discount of 10 per cent and it is now under the intermediate less a discount of 20 per cent. Ex 565c, embroideries and lace, whether containing tinsel or not, nettings and bobinet; this item was previously under the intermediate tariff and is now under the same tariff less a discount of 15 per cent. Item Ex 568c, women's dress gloves of kid, elbow length; this item is now allowed the intermediate tariff less a discount of 35 per cent.

I remember a very amusing incident in connection with the negotiations in Paris. I found that women's kid gloves were given preferential treatment in the agreement between Canada and Great Britain and I could not concede any discount from the intermediate rate being allowed in favour of France. However, I understand that the French experts have since gone into Great Britain and have found that these gloves are not manufactured in that country. Therefore, Great Britain is not entitled to any preferential treatment in connection with this item, and this fact has been admitted by the authorities of the British board of trade.

Mr. MARCIL: I should like to know whether French wines, brandies and liqueurs are going to be admitted into Canada at a cheaper rate than they were before?

Mr. CAHAN: If the hon. member has been following the schedule C he will see that the rates are being reduced. Perhaps I might give the explanation which will have to be given sooner or later. The difficulty in connection with the importation of French products is the fact that the prices in Canada seem to be high is due to the rate of exchange between Canadian and French currencies. France has remained on the gold standard while at the present time in international exchange we find that our currency in terms of gold has depreciated by about forty per cent. The result is that the Canadian dollar expressed in terms of gold now represents about sixty cents in gold of the old standard. It sometimes runs around fifty-nine cents but I am taking sixty cents as the average. The result is that the French product which we formerly bought and paid for with a dollar of our currency by the purchase of exchange on France is now bought and paid for with our currency computed at a depreciation of forty per cent. What I bought before at a certain price in French francs now requires sixty-six and two-thirds more in Canadian currency to pay for the same product bought at the same price in francs in France. I had this brought home to me when my wife told me that she was making some purchases of toilet and dress articles in France. She said the price in French francs was exactly the same, but when she paid for them in Canadian currency she found that the price in Canadian currency had increased as forty is to sixty, that is, by two-thirds, which is sixty-six and two-thirds per cent. So that those of us who occasionally purchase French wines may not hope, despite the present reduction in the tariff on French wines, to purchase French wines in Canada at the same low price expressed in Canadian currency as we did before the fall in the value of the Canadian dollar in international exchange.

Articles 3 and 4 of the additional protocol serve merely to apply to the additional commodities mentioned in the supplementary schedules (a) and (c) the same provisions as apply under the trade agreement of May 12, 1933. Article 3 of this additional protocol is clear. It provides that:

The natural or manufactured products, originating in and coming from Canada, enumerated

in supplementary schedule A to this additional protocol, and the natural or manufactured products, originating in and coming from French customs territory, enumerated in supplementary schedule C to this additional protocol, shall, on their importation into the territory of the other party, enjoy the most favourable rates accorded to any foreign country, that may arise from modifications made in the tariff classification as a result of administrative or legislative action or of conventions entered into with other countries.

The result is that, in respect of these schedules, if France makes any larger concessions by way of reducing her tariff in favour of any other foreign country Canada will enjoy the advantage of these concessions; and if Canada, in negotiations with any other foreign country, grants a lower rate of duty to any such foreign country, these reduced rates automatically apply to French products.

In article 4 the same reductions apply with respect to the French colonies and it is provided that:

The natural or manufactured products, originating in and coming from French colonies, "assimilées" and "non-assimilées," countries under French protectorate, and territories under French mandate, enumerated in supplementary schedule (C) to this additional protocol, shall enjoy any other more favourable tariff rate which Canada may accord to the same or simiar products of any other foreign country.

I have already clearly indicated to the house in previous discussions that some of the French colonies have tariffs of their own. The tariffs of some of them are assimilated to and are the same as the tariffs imposed by France. The tariffs of others of them are not assimilated to the French tariffs but are tariffs which prescribe rates that differ from the rates imposed by France on importations into France.

I call attention to the fact that after we had negotiated the convention of May 12, 1933, which provided for quotas on our exports of lobster and salmon and salmon products to France, a very large number of quotas were imposed by France for the purpose largely of maintaining France's position on the gold standard. On January 1, 1934, after the previous trade arrangement had been ratified by this parliament, France put into force a greatly extended list of quotas—in fact, a general system of quotas—and a number of these quotas have interfered very considerably with the Canadian export trade to France. It was deemed advisable therefore to secure a clear provision in this additional protocol whereby the quotas allotted to Canada could not be decreased below a certain proportion.

The terms of article 5 relating to quotas, which are expressed in schedule E, were drawn in collaboration with the French government experts who have control of the administration of the quota system in France, and this article 5 closely follows in terms, though not in respect of the definite quotas, the commercial treaties that other countries have recently made with France in which such other countries have been accorded similar concessions under the French quota system.

The quotas which are expressed in schedule E are expressed as percentages of the basic global quotas, so called. The basic global quota is the quota for the entire importation into France of the particular product, and out of that total importation into France from all countries Canada is allowed a certain quantity. In order that the house may have before it a statement of the quotas which have been allowed under this protocol, I would ask permission to place on Hansard a clear statement, because this will be very important indeed for those who are exporting from Canada to France. In the fourth quarter of 1934 certain quotas were allotted, and in the first quarter of 1935 there are other quotas allotted. They are expressed in metric quintals. The metric quintal is equivalent to 220 pounds avoirdupois. The total quotas for 1935 on common and manufactured woods are only eighty per cent of the quotas of 1934, that is the Canadian allotments have been reduced.

As this is important, perhaps the house will allow me to place these quotas on Hansard, where hon. members will be able to follow the figures more closely:

Fourth quarter of 1934

	Quintals
Cheese	306
Frozen salmon	375
Canned lobsters	1,375
Fresh apples and pears	5,280
Cornflakes	15
Common wood	3,410
Tomato ketchup	60
Lead	7,310
Patent leather	60

First quarter of 1934—*Concluded*

	Quintals
Calf leather	14
Manufactured wood	5,900
Automobiles	800
Ice skates	10
Barley	1,200
Insulating fibre board	125
Agricultural machinery	333

First quarter of 1935

	Quintals
Cheese	300
Frozen salmon	1,125
Barley for brewing	1,000
Apples	10,340
Sweet biscuits	28
Tomato ketchup	56
Lead	7,300
Insulating board	139
Patent leather	60
Calf leather	13
Agricultural machinery	311
Veneers	50
Automobiles	800

The total quotas for 1935 on common and manufactured woods are 80 per cent of 1934 quotas. The Canadian allotments are 0.12 per cent on common wood and 9 per cent on manufactured.

The metric quintal is equivalent to 220 pounds.

Article 6 of the additional protocol refers to schedule F. These commodities by reason of their special character did not require that the quotas should be established on a global basis, and the French government therefore agreed to establish for the Canadian products specific quotas which are found in schedule F to the agreement. These items are four in number; they were included in the treaty made in May, 1933, but now the following quotas are fixed for Canada:

Schedule F

Number of French customs tariff	Additional quotas	Quintals
Ex 347 bis A	Porcelain insulators without parts of metal	30
Ex 347 bis B	Porcelain insulators with parts of metal	50
524 bis K	Electric heating apparatus including electric stoves	100
Ex 524 bis M	Vacuum cleaners and parts thereof	10

Article 7 of the additional protocol is one of the most important for Canada, and I shall read it in full:

Article 7

In the event that the system of temporary admission of wheat into France is modified or abandoned, and that suitable facilities are not provided whereby wheat, the produce of Canada, would retain marketing opportunities in France equivalent to those now enjoyed, the French government recognize the right of the Canadian government, with regard to the advantages conceded by the present additional protocol in respect of wines, liqueurs, cognac and Armagnac, specified in supplementary schedule C to this additional protocol, to take whatever measures they may consider advisable, provided that these measures shall not constitute a discrimination against France as compared with any other foreign country.

Since December 1, 1929, there has been in France a domestic milling quota which as at present applied makes it compulsory, subject to certain provisions to which I shall hereafter refer, to use one hundred per cent of French domestic wheat in wheat flour produced in France for home consumption. Due to this regulation, Canadian wheat except when admitted under the "temporary admission" system to which this article 7 refers, may be imported into France for purposes other than human food, such as seeding, animal feed, industrial use, et cetera, in which cases a special licence must be obtained by the importer and the wheat must be thoroughly denatured by colouring at the customs port of entry. There has been practically no demand in France for denatured foreign wheat, as the domestic product has filled all the requirements of that market, and therefore for practical purposes the result is that all Canadian wheat imported into France has to enter under the "temporary admission" system.

The French "temporary admission" system permits the refund of customs duties paid on importations of foreign wheat, upon the exportation by the French miller of a corresponding quantity of French wheat in the form of flour. For instance, a French miller imports 1,000 bushels of Canadian wheat under a "temporary admission" permit, and he deposits or is debited under this arrangement

with the amount of the customs duties on the wheat which he has imported into France. If thereafter, within a maximum delay determined by the law, the miller exports a corresponding quantity of French flour, the amount of the import duty deposited in respect of the importation of foreign wheat is refunded or credited to the miller in France by the customs authorities. This privilege of exporting domestic flour to compensate for importations of foreign wheat was granted at the request of the French millers, who have claimed and continue to claim that a certain proportion of foreign wheat must be blended with French wheat to obtain certain grades of flour which are required in France for domestic use. Foreign wheat so imported is of a class corresponding to our hard wheat in Alberta and Saskatchewan, which is not produced in France. Hon. gentlemen will remember that on a previous occasion I drew the attention of the house to the fact that France in the very year I think in which I negotiated the treaty of May, 1933, produced within its own country more wheat than was produced in all Canada, but they did not produce in France proper the equivalent of Canadian hard wheat. They have, as I pointed out to the house on a previous occasion, been importing Saskatchewan wheat and planting it in colonies of northern Africa which belong to France. They found in the first year that from Saskatchewan seed they produced a hard wheat; planting then as seed again their own product, they produced a very good hard wheat in the second year; but I was told that in the third year the wheat so produced begins to lose its quality of hardness and to become a soft wheat which is not as good for mixing for domestic use in France. The foreign wheat imported into France under the "temporary admission" system becomes according to French law "nationalized"; that is, legally assimilated to French wheat, and may be mixed with French wheat in any proportion for milling purposes regardless of the quota.

The concession afforded to Canada on wheat, namely the French minimum tariff, was undoubtedly a valuable one to this country, and from the Canadian point of view it was very important that the principle of this "admission temporaire" should not be abolished in respect of Canada. That became the subject of these later negotiations. From the French point of view the concessions accorded on French cognac, and liqueurs and sparkling and non-sparkling wines, our Canadian tariff items Ex 156, Ex 163 and Ex 165, were also important for the extension of the French wine trade in Canada, and so in this additional protocol it was agreed to make the Canadian tariff concessions on French cognac and liqueurs and sparkling and non-sparkling wines conditional upon the maintenance by France of facilities under which Canadian wheat would retain its present marketing opportunities in France. That is the purpose of article 7 which I have just read, and which in the view of the government establishes a very important principle.

Article 8 deals with another matter. It reads:

> The increase in the rate of the import tax provided by article 32 of the law of March 31, 1932, shall not apply, as long as the present additional protocol remains in force, to products originating in Canada, in accordance with the terms of the decree of September 29, 1934.

The application of the French special import tax of four per cent on semi-manufactured goods and six per cent on manufactured goods affected detrimentally our competitive position in the French market. When I had the honour to negotiate in France on behalf of the Canadian government for the trade agreement of May, 1933, I urged very strongly that these special import taxes of four and six per cent should be removed or reduced. I was unable at that time to obtain an agreement to that effect, but the French government gave assurances that they would give favourable consideration to the Canadian representations, but it was then claimed that it was impracticable to remove these import taxes at once, since manufactured products of French origin had to bear at various stages of manufacture a turnover tax of two per cent, and were therefore at a disadvantage compared with imported foreign goods which paid an import tax at uniform rate of two per cent regardless of their degree of manufacture. In view, however, of the concessions which have been made to other countries Canada pressed for equal treatment with the United Kingdom, Belgium and Italy, which had been accorded a rate of two per cent. The effect of this article 8 is to afford to Canadian goods the rate of two per cent instead of four and six per cent respectively which had formerly been imposed, and thus places Canadian goods

on a footing of equality with those of the most favoured nations in this respect.

Article 9 deals with maple sugar and maple products. The trade agreement signed on May 12, 1933, conceded to Canada minimum tariff rates on maple sugar and maple syrup. The effect of article 9 in this additional protocol is to secure a further concession by exempting maple sugar and maple syrup, when imported for use in the manufacture of tobacco, from certain internal taxes which are levied on sugar in France. The main internal tax, which is now cancelled, is a consumption tax of 85 francs per one hundred kilograms, about 2½ cents per pound at the present rate of exchange. A refining tax of 2 francs, and a surveillance tax of ¼ franc per one hundred kilograms are also cancelled but taxes levied internally in France will nevertheless apply to maple sugar and maple syrup if imported for uses other than in the preparation of French tobacco.

The French decree of December 5, 1931, mentioned in article 9, authorized the government to limit by quota the importations of foreign sugar, and the other decree mentioned, that of October 8, 1934, limited to 32,000 metric tons the quantity of foreign sugar that could be imported in the period between October 8, 1934, and October 15, 1935. Article 9 exempts Canadian maple sugar and maple syrup imported for use in the preparation of tobacco from these quota restrictions. If maple sugar and maple syrup are imported from Canada into France for any other purpose there is an annual quota fixed for Canada of 1,000 kilograms or one metric ton.

As to article 10, on certain articles of clothing for children, by order in council No. 2838 of November 12, 1931, the price was fixed at $8 and $9 per dozen. The French government contended that the values so fixed under the authority of that order in council were much in excess of the true market value of the articles, and it was accordingly agreed to reduce the value for duty under section 43 of the Customs Act to $4.50 per dozen, or about one-half. With respect to cherries "glacé" the value for duty had been fixed by the Department of National Revenue at 8 francs per kilogram, and the French government contended that the market price in France did not exceed 6·5 francs per kilogram, and it was accordingly agreed to reduce the value for duty by twenty per cent.

Little need be said by me with respect to the remaining articles 11, 12 and 13. A feature of the negotiations which, though not set forth in the articles of agreement, will result in considerable advantage to Canada is the cancellation of the exchange compensation surtax on Canadian goods. By a French decree of November 12, 1931, the French government imposed an exchange compensation surtax ranging from seven to twenty-five per cent ad valorem on imports from specified countries whose currencies were then depreciated as compared with the French franc. It was stated that the purpose of these surtaxes was to countervail the indirect exchange bounty resulting from the depreciation of certain foreign currencies from their legal parity. Articles which are exempt from French customs duty under the French minimum tariff, such as wheat, for which a world market exists, are not subject to this surtax in France. On December 10, 1931, an exchange compensation surtax at the rate of eleven per cent ad valorem was imposed on all goods imported from Canada. Canada's competitive position in the French market was thereby rendered more difficult. In 1934 the French government cancelled the exchange compensation surtax on goods imported from the United Kingdom, the Irish Free State, Norway, Finland and the U.S.S.R. Now, as the result of this exchange of notes, the French government has exempted all imports from Canada from the operation of this exchange compensation surtax, placing Canadian goods in a better competitive position in the French market.

I have endeavoured as best I could, Mr. Speaker, to state generally the purposes of this additional protocol which is now before the house for ratification. If when the bill reaches the committee any further information is desired I will endeavour to obtain it from the experts of the department and present it to the committee.

Mr. J. L. BROWN (Lisgar): Before the bill is given second reading I should like to ask the Secretary of State (Mr. Cahan) a question. Perhaps he will recall that at one time I had a question on the order paper in regard to the French treaty, and I suggested that when this protocol was before us for ratification I might discuss the matter, which had to

do with certain conditions arising out of the former treaty. When the bill is in committee I assume that it will be taken for granted that we may discuss the treaty of 1933 and some of the conditions that have arisen out of that treaty.

Mr. CAHAN: Clearly the discussion will be opened wide.

Mr. BROWN: In that case I will reserve any remarks I have to make until we are in committee.

Mr. CAHAN: If the house permits I will move that we go into committee of the whole on the bill and then move that the committee rise and report progress, so that I may not go into these details until hon. gentlemen opposite have had an opportunity of reading the explanation I have given in summarizing the terms of the protocol itself.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Morand in the chair.

On section 2—Additional protocol approved.

Mr. CAHAN: Without discussion and without division I will proceed to move that the committee rise, report progress and ask leave to sit again.

Mr. LAPOINTE: May I ask when my hon. friend intends to go on with this bill?

Mr. CAHAN: I should be quite willing to go on to-night, and it is possible that the acting leader of the government intended that I should go on, but as I began to go through my notes in preparation for this afternoon's discussion, it seemed to me that there should be some delay in order that hon. gentlemen who so desire may read the explanations I have given so that they may be in a position to discuss with greater clarity the particular sections of the protocol.

Mr. COOTE: To-morrow?

Mr. CAHAN: I would ask that the committee rise, report progress and ask leave to sit again to-morrow.

Progress reported.

Mr. MACKENZIE KING: Post Office supply to-night?

Mr. MANION: I think so.

[Mr. Brown.]

Mr. LAPOINTE: And what else?

Mr. MANION: We will have to take up something else if the Post Office estimates get through, but I think they will take up the evening.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

POST OFFICE DEPARTMENT

The house in committee of supply, Mr. Morand in the chair.

Post Office—outside service—

Salaries and allowances, $15,169,603.

Mail services, including mail service by air, $14,002,450.

Miscellaneous, including $5,000 to provide for payment of compassionate allowances to employees injured while in the performance of their duties or to other persons injured while performing duties in any way connected with the postal service or in protecting His Majesty's mails, or to the dependents of such employees or other persons who may be killed while so engaged, payments to be made only on the specific authority of the governor in council, $1,084,600.

Mr. POULIOT (Translation): Mr. Chairman, I would like to ask a few questions of the hon. the Postmaster General. How many post offices have been closed from August, 1930, to date?

Mr. SAUVE (Translation): Will the hon. member be kind enough to ask me another question; I shall give him the information later.

Mr. POULIOT (Translation): Could the hon. Postmaster General let me have a detailed statement of the dismissals and appointments made in his department since the day he has taken charge of it?

Mr. SAUVE (Translation): If I understand correctly the hon. member's question, he wishes to know how many postmasters have been changed?

Mr. POULIOT (Translation): Yes, sir, in the first place.

Mr. SAUVE (Translation): There were 800 changes made.

Mr. POULIOT (Translation): How many new post offices have been opened?

Mr. SAUVE (Translation): Has the hon. member another inquiry to make, while I look up the information? We have the information for the year about to expire, but we have no record for each of the previous years. I understood all the dismissals were included in that—

Mr. POULIOT (Translation): Mr. Chairman, the dismissals were made in different ways. Oftentimes the minister went about it like a dentist who practises painless tooth extraction. He would not always tell the postmasters that they were ousted for political partisanship; sometimes he would close the post office and then open another one across the street, on the ground that better accommodation was necessary. In other cases, he would first close the post office and open another one a short distance away and thus it did not appear as if the office was closed on account of political partisanship.

Threatening letters were also sent to postmasters in order to frighten them. There were a great many who were alarmed and sent in their resignation to the minister before the department took action. It is most important to know the number of dismissals and I must say to the Postmaster General that I should like to have these particulars. I do not want to ask him questions to which he is in no position to reply, but it seems to me that a minister may be compared to a bank. At a general meeting, the board of directors is supposed to give the shareholders such information as may be asked for concerning their administration during the preceding years. It is true that the other day I gave notice to the hon. Postmaster General that I wished to obtain information in connection with the dismissals, but gave no further particulars. If the hon. minister were kind enough to let me have that memorandum which he showed to me a few minutes ago, I might bring down the number of my questions to ten or so, perhaps, and the matter could be disposed of in much less time.

Mr. SAUVE (Translation): I am exceedingly sorry. Had I better understood the question asked a few minutes ago by the hon. member, I might have given him the information.

Mr. POULIOT (Translation): Of course, it is always unpleasant to deal with dismissals and at all times it is irksome to lay stress on that particular subject.

The minister was kind enough to let me have a short while ago, a memorandum showing the number of dismissals, by province and for each year, made between the 7th of August, 1930, and the 28th of February, 1935, for political partisanship and other reasons.

Would the hon. Postmaster General have any objection to hand over to me a copy of that memorandum or to let me keep the one I now have.

Mr. SAUVE (Translation): Certainly, not.

Mr. POULIOT (Translation): May I keep this copy?

Mr. SAUVE (Translation): Certainly, you may keep it as a gift from me.

Mr. POULIOT (Translation): I am quite thankful to the honourable minister; according to that list I find that quite a number of dismissals took place from the 7th of August, 1930, to the 28th of February last. The total number of dismissals, per province, is as follows:

	Political partisanship.	Other grounds.	Total.
Nova Scotia	129	55	184
New Brunswick	81	37	118
Prince Edward Island	8	2	10
Quebec	297	124	421
Ontario	12	47	59
Manitoba	12	18	30
Saskatchewan	13	17	30
Alberta	2	21	23
British Columbia	..	7	7
Total	555	327	882

In the province of Quebec, there were 297 dismissals for political partisanship, in other words a larger number in the province of Quebec than for all the other provinces put together. I already told the honourable minister that my criticism is not levelled at him particularly but rather at the Conservatice members of the province of Quebec and at

those who are entrusted with the dominion patronage on behalf of the Conservative party in that province. They are the ones to blame for so many dismissals and to a certain extent the Postmaster General can wash his hands in that connection.

Mr. SAUVE (Translation): And also because of the precedents. It has been so for the last forty years; the number of dismissals was always larger in the province of Quebec than in the province of Ontario.

Mr. POULIOT (Translation): It ill behooves the hon. minister to refer to precedents, because if, from 1922 to 1930, the Liberal party made a few dismissals it was in order to redress the wrongs that had been perpetrated by the Hon. Louis-Phillipe Pelletier and the other Conservative ministers. And, in this connection, the story of the Conservative party, in so far as the post office department is concerned, from Sir Adolphe Caron to the Hon. Louis-Phillipe Pelletier is by no means a pleasant one to recall. It is regrettable indeed that the minister should have allowed the axe to fall on the head of the unfortunate victims that the Conservative members as well the defeated candidates in the province of Quebec led to the block.

I find that the dismissals for political partisanship in the province of Quebec were far more numerous than elsewhere. And what is more distressing than that is the fact that, in a great many cases, political partisanship was given as the reason for the dismissal when there was none at all. The honourable Postmaster General knows very well, for instance that, at Notre-Dame du Lac, he gave instructions to suspend action upon receiving certain information which I gave him in connection with a complaint lodged against the former postmaster. Unfortunately it was too late, the transfer having already been made. I must give him credit for his readiness to act on that occasion but the fact remains that the stand taken at the time by the Conservative party was disastrous.

I shall not insist on what took place in the other provinces, but it should be interesting to see in what constituencies of the province of Quebec the axe was wielded with greater efficiency: in Argenteuil, 2 dismissals for political partisanship, and three for other reasons, total 5. In Bagot, 2 for political partisanship, one for other reasons; total 3. In Beauce, 3 for political partisanship, 1 for other reasons; total 4. In Beauharnois, 1 for political partisanship. In Bellechasse, 10 for political partisanship, 1 for other reasons; total 11.

Mr. SAUVE (Translation): Since 1930. Since five years.

Mr. POULIOT (Translation): Since 1930, yes.

Berthier-Maskinongé, 8 for political partisanship, 1 for other reasons; total 9. In Bonaventure, 45 for political partisanship, 4, for other reasons; total 49. In Brome-Missisquoi, 2 for political partisanship and one for other reasons; total 3. In Cartier, 2 for other reasons. Chambly-Verchères, 2 for other reasons. In Champlain, 3 for political partisanship, 2 for other reasons; total 5. In Charlevoix-Saguenay, 10 for political partisanship, 5 for other reasons; total 15. In Châteauguay-Huntingdon, 0, 0. I must congratulate the hon. member for that constituency on the fact that he apparently is broadminded on that question at least, though he may not be in other respects. Chicoutimi, 2 for political partisanship, 1 for other reasons; total 3. Compton, 6 for political partisanship, none for other reasons; total 6. It would appear that postmasters in Compton are really honest, since the only thing they can be reproached with is their political faith. Dorchester, 10 for political partisanship, 10 for other reasons; total 20. Drummond-Arthabaska, 8 for political partisanship, other reasons; 1. Gaspé, 46 for political partisanship, 16 for other reasons; total 62. Hochelaga, 0, 0. Hull, 2 for political partisanship, other reasons 1; total 3. Jacques-Cartier, political partisanship 1, other reasons 1; total 2. Joliette, other reasons 3. Kamouraska, political partisanship 7, other reasons 5; total 12. Labelle, other reasons 1. Lac Saint-Jean, political partisanship 16, other reasons 2; total 18. Laprairie-Napierville, 1 for political partisanship. L'Assomption-Montcalm, 6 for political partisanship, 2 for other reasons; total 8. Laurier-Outremont, other reasons 1. Laval-Deux-Montagnes, political partisanship 5, other reasons 3; total 8. Lévis, political partisanship 5, other reasons 2; total 7. L'Islet, political partisanship 5, other reasons 1; total 6. Lotbinière, political partisanship 7, other reasons 2; total 9. Maisonneuve, other reasons 9. Matane, political partisanship 7, other reasons 3; total 10. Mé-

gantic, political partisanship 3. Montmagny, political partisanship 10, other reasons 3; total 13. Mount Royal, other reasons 1. Nicolet, political partisanship 5, other reasons 2; total 7. Pontiac, political partisanship 2, other reasons 1. Portneuf, political partisanship 3, other reasons 2. Quebec-Montmorency, political partisanship 9, other reasons 3. Quebec-East, other reasons 1. Quebec South, 0, 0. Quebec West, political partisanship 1, other reasons 2. Richelieu, political partisanship 4. Richmond-Wolfe, political partisanship 5, other reasons 2. Rimouski, political partisanship 2, other reasons 3. St. Ann, 0, 0. St. Antoine, 0, 0. St. Denis, other reasons 2. St. Henri, other reasons 1. St. Hyacinthe-Rouville, political partisanship 5, other reasons 2. St. James, 0, 0. St. John-Iberville, other reasons 1. St. Lawrence-St. George, 0, 0. St. Mary, other reasons 1. Shefford, political partisanship 3. Sherbrooke, 0, 0. Stanstead, other reasons 1. Témiscouata, political partisanship 10, other reasons 7. Terrebonne, political partisanship 5, other reasons 1. Three Rivers-St. Maurice, political partisanship 3, other reasons 2. Vaudreuil-Soulanges, political partisanship 1, other reasons 2. Wright, political partisanship 5, other reasons 2. Yamaska, political partisanship 1, other reasons 1.

All of which is very sad. So much so seeing those figures do not paint a true picture of what actually happened.

Mr. SAUVE (Translation): If the hon. member will permit me, I am giving an account of the present fiscal year, and not of the four preceding years. I was willing to give the information asked for by the hon. member, but I do not want him to think it extraordinary if I do not have at hand all possible information regarding the affairs of my department for the last four years. I am ready to answer questions in regard to the year on which I have now to give explanations.

Mr. POULIOT (Translation): The minister must not get mad.

Mr. SAUVE (Translation): Not at all, I say it with great calmness.

Mr. POULIOT (Translation): For the moment, I am giving a review of the minister's career which will be crowned in a different world, probably in the red chamber.

Mr. GOBEIL (Translation): Not in a better world.

Mr. POULIOT (Translation): I do not mean that, because the atmosphere is sometimes duller in the Senate than in the House of Commons. Anyway, it is the crowning of a career, because the Senate gives certain benefits to its members.

Mr. MERCIER (Saint-Henri) (Translation): He is a lucky bird.

Mr. POULIOT (Translation): It is a reward for political services; the minister has rendered great services to his party and he deserves a reward.

Now I am reviewing the report of dismissals made by him during nearly five years. I do not want to say that all those dismissals happened in one year, but he made a lot more secretly. I want the minister to understand that very often dismissals have been recommended for political partisanship without sufficient proof; in those cases, he closed post offices and opened others a little farther. Would the Postmaster General have any objections to give me a report in regard to post offices that have been closed, like the one he gave me in the case of postmasters who have been dismissed?

Mr. SAUVE (Translation): It is pretty hard to supply the hon. member with all the information he wants. Really, I cannot understand what he means when he says that I closed post offices in order to open other post offices a little farther down the street and this was a camouflaged way of dismissing postmasters for political partisanship. I have no information on that point, neither here nor in the department; I do not think there were many such cases. If there were any, they must have been exceptional cases.

Mr. POULIOT (Translation): It is very simple: I want a statement, by provinces and by electoral districts, of post offices that have been closed and, on the other hand, of post offices that have been opened, since August the 6, 1930. The minister should have no objections to have such a statement prepared if he has not got it now. Is he ready to give me that statement?

Mr. SAUVE (Translation): Yes, surely, as soon as possible.

Mr. POULIOT (Translation): Thank you. The officials should be in a position to pre-

pare such a statement in a very short time, and it seems to me that I could get that information next week.

Mr. SAUVE (Translation): When I said "As soon as possible," I thought the hon. member would understand that I would give him the statement before next week.

Mr. POULIOT (Translation): I think we will finally get somewhere. If the minister would act in such a way that the tears, which he has occasioned in many a family by dismissing postmasters, could be forgotten—

Mr. SAUVE (Translation): Weep over yourself.

Mr. POULIOT (Translation): There is another thing. I mean the transfer of post offices on account of changes in location. Would the minister be kind enough to give me information in regard to transfers of post offices under the pretext of bettering the location?

Mr. SAUVE (Translation): Surely, with pleasure.

Mr. POULIOT (Translation): I thank the minister. We want information on the following points: first, a list of post offices that have been closed since he has taken charge of the department; secondly, a list of the new post offices that have been opened and, in the third place, a list of post offices where the location has been changed, from August 6, 1930, to the present date, by provinces and by electoral districts.

According to the list here, the minister has dismissed a total of 882 postmasters since August 6, 1930. How many has he appointed since August 6, 1930? How many has he appointed since that date as permanents or as temporaries?

Mr. SAUVE (Translation): They have all been replaced.

Mr. POULIOT (Translation): I am ready to show the greatest courtesy possible, and the greatest patience towards the minister; experience has shown that his colleagues who have answered me properly have had no difficulties with me; but if a minister begins to play the smart Alec with me, he will have trouble; and I am giving a formal warning.

Mr. SAUVE (Translation): I have been answering quite naturally.

[Mr. Pouliot.]

Mr. POULIOT (Translation): Answering naturally and not answering properly are two different things. I want to know how many dismissals have been made by the hon. minister. There are 882 here, that is an answer. Now, I want to know how many postmasters the hon. minister has appointed permanently or temporarily; that is a very clear question.

Mr. SAUVE (Translation): Since 1930?

Mr. POULIOT (Translation): Yes, Mr. Chairman.

Mr. SAUVE (Translation): I cannot give an answer to-night, because I am not called upon to account for my administration since 1930. The hon. member will admit that I cannot bring all the files in my department to the house in order to answer any questions that might be asked.

Mr. POULIOT (Translation): Mr. Chairman, it seems to me that the elementary points relating to the administration can be discussed right now and ought to be discussed while we are on the estimates of the Post Office Department. I would understand perfectly, if it were a special case, if I were asking, let us say, for particulars on the Sully post office, that the minister would say that he has not the file at hand. He would probably send for it; there are officials here who have nothing to do; there are others in the gallery; he would send them to his office to get the file in order to answer my question. I do not know if things were going on like that in Quebec, but here in Ottawa, it must be different, because I want that information and things will not go in such an easy way. When I ask the minister for the number of appointments made since 1930, it is a very simple question. He ought to keep a kind of ledger of his dismissals and appointments in order to be able to say what he has done since 1930 in that regard. I am asking a very reasonable question. The minister is not here to have his 1930 estimates passed by the house; they were passed in that year and I will shorten my remarks in order to give him a chance to pass his estimates to-day. I am asking a very serious question. What has been done since 1930 in the matter of appointments of postmasters? I ask the question and I am expecting an answer. It seems to me that, in the mass of papers he has before him, he could find that information and tell me how many postmasters he has appointed since 1930, permanently as well as temporarily.

Mr. SAUVE (Translation): We have not here all the information since 1930. To answer the hon. member for Témiscouata I must first deny his statement to the effect that I was hiding something. The dismissals were made after inquiries or charges made by members who claimed that they were personally aware of political partisanship on the part of the postmasters. Others were dismissed for ill-administration and I had to replace them. A few post offices were closed. Some of them were reopened in the public interest after representations were made to the department.

Now, with the best of intentions, I will ask the hon. member for Témiscouata not to ask me to follow the methods employed by the premier of Quebec or the government of Quebec, when the estimates are under consideration.

Mr. POULIOT (Translation): No, we are here in Ottawa and I will deal with the Postmaster General as I would with any of his colleagues, English or French. When a member seeks information of such a reasonable nature, he has a right to get an answer. Perhaps I could alter my question; I could ask the Postmaster General to give me the number of the last appointment he has made of a postmaster; is it the four thousandth postmaster he has appointed? The appointment must bear a number, is it 4,000 or 5,000? How many did he appoint, in round numbers? Is it 5,000 or 6,000? That is what I want to know.

Mr. SAUVE (Translation): Four days were required to prepare the list the hon. member has in hand. The hon. member does not seem to realize the amount of work his questions impose on the department. We have not that information here. We have to get it from the different branches. The hon. member will admit that it is impossible for me to supply, off hand, all the information. Two or three days would be required to get the exact answer to these questions. I know the hon. member wants a reliable answer that will give him the information he is seeking.

Mr. POULIOT (Translation): Mr. Chairman, a moment ago somebody said "Hear! hear!" If the hon. members who come here for the first time and have no knowledge of parliamentary customs, would wait a few years before teaching others, it would be so much the better for them. First of all, they could learn French and they would realize that it takes some time to become acquainted with parliamentary customs.

I could help the minister to answer the question I have just put to him by referring him to certain answers of his which are found in Hansard of May 12, 1933, page 4950, and according to his own words, he had dismissed but 783 postmasters when he had appointed 3,035. What I would like to understand is how he could appoint 3,035 men when he had dismissed only 788. It is unbelievable, it is a mystery, it is a thing I have yet been unable to understand.

Mr. SAUVE (Translation): The hon. member does not take into account the dismissals, the deaths, etc.

Mr. POULIOT (Translation): The dead? Very well. All the postmasters are not dead. Many are quite old and have occupied their post for a long time. Some died from grief on account of the ill-treatment they received.

Mr. SAUVE (Translation): In Ontario, a great many people are dying just now.

Mr. POULIOT (Translation): Has the Postmaster General appointed any new postmasters since the 12th of May, 1933?

Mr. SAUVE (Translation): I did not quite catch the drift of the question.

Mr. POULIOT (Translation): Since the 12th of May, 1933, has the hon. minister appointed any new postmasters?

Mr. SAUVE (Translation): Yes.

Mr. POULIOT (Translation): How many?

Mr. SAUVE (Translation): I have not the figures here.

Mr. POULIOT (Translation): How many did he appoint last year, in 1934?

Mr. SAUVE (Translation): I promised the hon. member, very graciously, I think, that I will bring down the information asked for. He was kind enough to take my word a moment ago, so far as the list of dismissals was concerned. I promised to bring down that list and the one he is asking for just now.

Mr. POULIOT (Translation): When?

Mr. SAUVE (Translation): As soon as possible. The hon. member knows what I mean by that.

Mr. POULIOT (Translation): Have you any temporary postmasters just now?

Mr. SAUVE (Translation): A few.

Mr. POULIOT (Translation): How many, approximately?

Mr. SAUVE (Translation): 7 or 8.

Mr. POULIOT (Translation): Has the Civil Service Commission made many appointments

in the last two years, since 1933, or have most of the appointments been made by the minister?

Mr. SAUVE (Translation): Most of them have been made by the Civil Service Commission.

Mr. POULIOT (Translation): Even now?

Mr. SAUVE (Translation): Yes.

Mr. POULIOT (Translation): From $3,000 up, the commission looks after the appointments?

Mr. SAUVE (Translation): Yes.

Mr. POULIOT (Translation): Is the number of postmasters receiving less than $3,000 greater than the number of those getting more than that amount.

Mr. SAUVE (Translation): There are 12,033 postmasters; of that number, 11,213 receive less than $3,000.

Mr. POULIOT (Translation): How many get more than $3,000?

Mr. SAUVE (Translation): 690, no, 820.

Mr. POULIOT (Translation): So, many postmasters receive more than $3,000?

Mr. SAUVE (Translation): Yes.

Mr. POULIOT (Translation): Above $3,000, the appointment is made by the Civil Service Commission?

Mr. SAUVE (Translation): Such has been the practice for the last two years.

Mr. POULIOT (Translation): And under $3,000, they are appointed by the minister?

Mr. SAUVE (Translation): Certainly.

Mr. POULIOT (Translation): Without consulting the Civil Service Commission?

Mr. SAUVE (Translation): Yes.

Mr. POULIOT (Translation): Then, in that case, has the minister not made more appointments than the commission?

Mr. SAUVE (Translation): Possibly.

Mr. POULIOT (Translation): I want an answer from the minister.

Mr. SAUVE (Translation): Yes, likely.

Mr. POULIOT (Translation): I am asking the minister whether he did or not, whether it is true or not. I am not asking him whether it is likely or not. The minister knows what he is doing. He is a sensible man, and when he affixes his signature in approval he very well knows how many appointments he ratified. I am not asking him whether it is likely, but if he actually affixed his signature many times a year for the appointment of postmasters.

Mr. SAUVE (Translation): I signed as many times as there were appointments to be made.

Mr. POULIOT (Translation): How many times did it happen?

Mr. SAUVE (Translation): I cannot remember.

Mr. POULIOT (Translation): Last year?

Some hon. MEMBERS (Text): Carried.

Mr. POULIOT (Translation): I would ask hon. members to keep order. As I was saying a moment ago, it does not befit newcomers to dictate to us in this house; let them get older before doing that; if need be we shall tip them over, and that will do them good. We shall take our time.

Mr. SAUVE (Translation): I do not recall the particulars.

Mr. POULIOT (Translation): It is too bad. The hon. minister says that he has this information, but these are things that he should foresee. His officers should tell him that it may be the first question put to a minister when he presents his estimates to the house and asks for more money to administer his department during the coming year.

It is elementary. The hon. minister who has been Leader of the Opposition in Quebec and who has had great experience ought to be able to supply this information at once to the house, in order that the members may know what he has done since he is Postmaster General. If the hon. minister were a new member, if it were the first time that he was in charge of estimates, he might say that he forgot it, but he is a man who has great experience, who has long been in public life and he does not even know how many appointments he has made; he does not remember. Did he make so many that the number of new postmasters cannot be figured out? And is the number of postmasters who were dismissed also incalculable? Sometimes children can count up to a certain number then they cannot go further. Is the hon. minister afraid to give the house the number of appointments and dismissals that he made? It is a very serious thing.

If the hon. minister says: "I shall give you the information in two, or three, or four days," very well, I will take his word; he will only be two or three days late, and that is all. He had time to think it over. The other

day, he presented part of his estimates to the house and he had no difficulty. We let him pass some of them in order to discuss the rest today; but again he comes with empty hands and he makes promises. I am sure they will be better kept than those made by his leader in 1930.

Mr. MERCIER (St. Henri) (Translation): The hon. minister dismissed in all 882 postmasters, either for political partisanship or for other reasons. Have all their places been filled?

Mr. SAUVE (Translation): Yes

Mr. MERCIER (St. Henri) (Translation): Then, he appointed 882.

Mr. SAUVE (Translation): Certainly, those who have been replaced.

Mr. MERCIER (St. Henri) (Translation): Then he appointed at least 882 and he need not dig into his files to find that out.

Mr. POULIOT (Translation): Mr. Chairman, I protest against my hon. friend's assertion. Hansard of two years ago says that we had thousands of appointments. There are so many that the hon. minister does not remember the number.

Now just another question. Can the hon. minister tell me whether Mr. Laurent, who has the contract for the carrying of parcel post in Montreal, holds a permanent or temporary position?

Mr. SAUVE (Translation): Temporary.

Mr. POULIOT (Translation): Is it not a fact that Mr. Laurent has the largest contract throughout Canada for the carrying of parcel post or mail.

Mr. SAUVE (Translation): I do not think so.

Mr. POULIOT (Translation): Then who has the largest contract?

Mr. SAUVE (Translation): Throughout the country?

Mr. POULIOT (Translation): Yes.

Mr. SAUVE (Translation): We have one in the Yukon whose contract is much larger—at White Horse.

Mr. POULIOT (Translation): Largen? You have one in the Yukon; but besides that one, is there any other whose contract is larger than that of Mr. Laurent?

Mr. SAUVE: (Translation) There is the Canadian Transfer in Toronto. There is at Montreal—

Mr. POULIOT (Translation): Is it not a fact that Mr. Laurent has the largest contract throughout Canada for the carrying of parcel post?

Mr. SAUVE (Translation): I beg your pardon?

Mr. POULIOT (Translation): I am asking the hon. minister if it is not a fact that Mr. Laurent, at Montreal, has the largest contract throughout Canada for the carrying of parcel post.

Mr. SAUVE (Translation): Yes, on account of the importance of Montreal.

Mr. POULIOT (Translation): Then why is he still temporarily employed instead of being permanent?

Mr. SAUVE (Translation): The matter is under consideration.

Mr. POULIOT (Translation): How long has Mr. Laurent been holding this temporary position?

Mr. SAUVE (Translation): Three years, I think.

Mr. POULIOT (Translation): Is it not a fact that he has had it since 1930?

Mr. SAUVE (Translation): Yes, possibly.

Mr. POULIOT (Translation): Then it would be five years.

Mr. SAUVE (Translation): Not quite.

Mr. POULIOT (Translation): Mr. Chairman, the hon. minister is not serious. Here is a man who has a contract for the carrying of parcel post, the largest throughout Canada. He is supposed to carry and he does carry parcel post throughout the city of Montreal; it is an enormous contract. He is not permanent, but only temporary. I am asking the hon. minister why he is not permanent and he replies that the matter is under consideration. That is not a serious answer. I am going to ask the hon. minister what is the amount paid each year to Mr. Laurent by his department and how much he has received since 1930. Does the hon. minister refuse to answer?

Mr. SAUVE (Translation): We have not before us this information concerning Mr. Laurent in particular. We have the cost of the different services, urban and rural mail, but I have not the information concerning Mr. Laurent in particular.

Mr. POULIOT (Translation): Would the hon. minister tell me what amount was paid to Mr. Laurent during the last fiscal year?

Mr. SAUVE (Translation): If my memory serves me well, I think it is $27,000.

Mr. POULIOT (Translation): Will the hon. minister give me before the middle of next week, the total amount paid to Mr. Laurent, each year, since his appointment?

Mr. SAUVE (Translation): Certainly.

Mr. POULIOT (Translation): It is understood? The minister says yes, does he not?

Mr. SAUVE (Translation): Yes, certainly.

Mr. POULIOT (Translation): Mr. Chairman, I strongly protest against such dealings. It is not reasonable to give such a large contract to an employee without appointing his permanently.

Now may I put another question to the minister? Has Mr. Laurent secured the contract pursuant to the calling of tenders? And if so, was he the lowest tenderer?

Mr. SAUVE (Translation): No, because it was a temporary contract.

Mr. POULIOT (Translation): Then, Mr. Chairman, you understand why Laurent is temporary. He has a temporary contract because the hon. minister would not ask for tenders for the most important parcel post carrying contract throughout Canada, a contract of $27,000, as he just said himself. Mr. Laurent is temporarily employed, he has a temporary contract because the hon. minister would not call for tenders, and he will not call for any even now. That is why Mr. Laurent enjoys such benefits. The hon. minister is not reasonable; there is no sense in that.

Now may I ask the hon. minister up to what amount he may grant contracts for the carrying of mail without tenders?

Mr. SAUVE (Translation): I think I mentioned it last year—$200.

Mr. POULIOT (Translation): Mr. Chairman, you see how it is. I shall not dwell upon it any longer. I do not want to stir all these unfortunate things of the Post Office Department. The law allows the minister to grant a contract for the carrying of mail up to an amount of $200, without tender. That is for the small parishes. But in the largest city of Canada, a friend, a political favourite, has a contract of at least $27,000 a year—and I am sure it is more, it will prove to be more—a contract of $27,000 a year without tender. The minister flouts the law by leaving this man in a temporary position. He cannot make him permanent without asking for tenders, but he leaves him as a temporary employee in order to keep on protecting him to the prejudice of those who could tender at a lower price than the one he is getting. This is a question of public interest. How do we know that the Postmaster General would not save several thousand dollars a year and would not have done so since 1930, if he had acted according to the law and called for tenders for such an important contract.

I am not surprised, Mr. Chairman, that the Postmaster-General, with his apparent good nature, with his genial and unctuous disposition, should make an attempt to sidetrack the issue when one expects a direct reply from him. It is a tactic of his and when he comes in the house without the papers required to enable him to answer any serious and timely questions that may be put to him concerning his own department, it is because he will rather not answer or enlighten the country as to what takes place within his department.

I already had the opportunity of pointing out to him the fact that quite a large amount, a sum of over $27,500, had been paid to a man for mail boxes made from stove pipe. The pipe itself was worth around 50 cents while the manufactured product was, at the most, worth 75 cents. And yet, he gave the order to that man without calling for tenders, and he had the boxes made from stove pipe. The Postmaster-General knows what I mean; I refer to that contract awarded to Amédée Lesieur.

Mr. SAUVE: 10,000 boxes.

Mr. POULIOT: 10,000 boxes at $2.75; that makes $27,500.

Mr. SAUVE: $10,000.

Mr. POULIOT: The Postmaster-General should not say that when the Hansard shows that the price of each box was $2.75. If the minister is not satisfied with that statement, I shall show him the very page of Hansard. Besides, I have in my room upstairs a photograph of the stove pipe transformed into a mail box. The hon. minister is laughing at that! There is nothing to make light of; it is a sad affair!

No tenders have been asked. We have here a former furniture dealer in Montreal who comes to the minister with a tale of woe. He says: "I have here a wonderful invention, a stove pipe which I can change into a mail box. And I will sell that box at the price of $2.75 to your department." I ask you to note, Mr. Chairman, that Amédée Lesieur was not the inventor of that famous box with a raising door, a lowering door, as well as a door that opened on the side. That

famous discovery had been made by another individual, but the former took it to the Postmaster General. In a memorandum submitted to his colleagues, the members of the government, the minister stated that, owing to that wonderful invention, that is the door opening at the bottom, at the top and on the side, it was important to give encouragement to such a genius. What happened? At that time, no patent had been secured as yet. Not only that, but the patent had not even been applied for at the patent office. The department still had thousands and thousands of boxes that were in perfect order and of a far better construction than these boxes. But the Postmaster-General bought Amédée Lesieur's mail box. He did not purchase only a thousand of them, but 10,000; just think of it, 10,000! Ten thousand at $2.75 each! Which means that out of that sum of $27,500, there was an obvious robbery of $20,000 on the part of either Amédée Lesieur or the man who was with him. We frequently urge upon the government to include in the estimates certain sums for important things, and we are told: "The country cannot afford it; we have no funds". But you had to make a gift of $20,000 to Amédée Lesieur. The hon. member for Gloucester (Mr. Veniot) gave a detailed account of the transaction and, last year, he again referred to it. We were unable to get a satisfactory reply from the government. We have here another instance of money wasted to the extent of $20,000. I shall not insist on other expenditures, no less absurd than this one, made by the Post Office department. And at a time when the employees complain of being unable to secure justice, when they can scarcely make ends meet, one sees how spongers, such as the one I just mentioned, manage to grab $20,000 from the government through changing a stove pipe into a mail box, and that with the approval of the hon. Postmaster General, in whose eyes, a gift of $20,000 on a $27,500 transaction is quite right.

At that time a man wrote to me saying that if he were given the contract to manufacture boxes of that kind with stove pipe, he could produce as many as the government might require, not at $2.75 but at 75 cents a box, which price would leave him a profit of 25 cents a box. You see how it is. If I speak to the minister, he will say: "It might be like that, it might be not altogether like that." There it goes and people say: "He is a good fellow." Are there not in the county of Two Mountains voters who need the $20,000 that have been given to Amédée Lesieur? Are there no voters in Témiscouata, in Gloucester, in Provencher, in Rimouski, in Essex or anywhere else who need these $20,000? They are poor, they have greater need of this gift than Amédée Lesieur. It is shameful.

There is one more thing I complained about last year and about which I complain again this year. I wonder why Mr. Anderson is not retired. I have great respect for old men when they are useful. But he is harmful. He is entitled to his pension. He is there simply to lick the boots of all the ministers. He is absolutely useless. I think it is time to send him home to smoke his pipe. I would be all the more pleased to see him go so that he could be replaced by Mr. Saint-Germain, who, though modest, is an excellent official. It is high time to get rid of Anderson. There are other elderly men in the civil service. I have great respect for them. Some of them are indispensable, but let us get rid of those we can spare. Mr. Anderson would not be on the street; he is entitled to a substantial pension and his retirement would allow the promotion of a modest official who is loyal to his chiefs and who could render much greater service than the present incumbent.

I also say to the minister that it is sovereignly unjust of him not to appoint a deputy minister in his department, which is one of the most important departments of the government. I have no recommendation to make as to individuals, but I say to him that he has been guilty of a grave injustice towards the man who is actually filling the post of deputy minister without drawing the salary thereof, although he has borne the responsibility for a long time. It is unjust. I do not share the opinion of those who think that the man who replaces a deputy minister with satisfaction should receive an increase of salary without an increase of status. I am not at all in favour of that, for the deputy minister is the assistant head of the department, that is, he is directly responsible to the minister for the administration of the department. I regret that it should be two departments presided over by my French Canadian compatriots that have been so long deprived of a deputy minister. It seems to me that a minister should have sufficient authority to say to the Prime Minister: "The act entitles me to a deputy minister; give me one." I cannot conceive of an English speaking minister waiting years, as my two French speaking colleagues have done, without thus reproaching the Prime Minister. It is all very well for the Prime Minister to submit these appointments to the Privy Council, but on the other hand, each minister, the hon. Postmaster General and the hon.

Minister of Marine should say to the Prime Minister: "Appoint a deputy minister to my department; if you do not render justice to my department, I say good-bye and I give up my responsibilities." If the Postmaster General and the Minister of Marine had thus spoken to the head of the government they would have been listened to. It is time that these appointments be made. Appoint whomever you like, but appoint someone and let him be a competent man. It seems to me that it is much more important to appoint this deputy minister than to create throughout the whole country irresponsible commissions. At the present time we have no responsible government. We are governed by individuals who have no responsibility towards the representatives of the people, and very often when we ask a minister if such and such a commission is responsible to him, he is hard put to reply as he does not know himself.

Mr. Chairman, perhaps I may not be here when the resolution concerning the appointment of an economic council will be submitted to this house, but I can say right away that, to my mind, it is ridiculous to create an economic council, for we have one already under the British system of parliament; we have had for centuries. It is nothing else but the cabinet. The departments cover all branches of material activities of the nation, commerce, banking, industries, railways, everything. This means, Mr. Chairman, that each ministry must be directed by competent men. To get them, one must rely on the merit system; you must tell the employees: Having been faithful servants, you are entitled to a promotion, you have a right to expect that your services will receive a reward proportionate to the good you have done for the country. That is, Mr. Chairman, the British parliamentary system which has been maintained for centuries. In the course of the last few years, what have we seen? You have boards which in most cases have no designation: the "Marketing Act Board," this board, and that board. And I am told that we are to have some other boards, irresponsible boards.

Let me say not only to the hon. Postmaster General, for in this case they should appoint a deputy-minister in his department, not only to the Minister of Marine, who also has no deputy-minister, but to each member of the government: Either the ministers of each department are or are not efficient. If they are efficient, we have no need of an economic council; if they are not efficient, let them resign at once. There is no other way out.

Is it the intention of the government to appoint new men, burned out brains, dreamers who will submit plans as ridiculous as those that have been recently refused by the three western provinces in connection with the marketing of poultry and eggs.

Mr. Chairman, what I regret, is that the government does not seem to realize the strength of our present system of government. The government refuse to assume any responsibility. They rely entirely on irresponsible individuals. Mr. Chairman, I protest strongly against such a policy, a policy that makes Canada similar to Russia. The right hon. prime minister has declared publicly, in Montreal, that he was following, to a certain extent, Litvinof, Strachey and other prominent communists, taking advantage of the experience of the French revolution and of the Russian revolution in presenting this so-called social legislation. Let the government come back to common sense. Since our French-Canadian ministers often mention Cartier and Macdonald, let them act according to the principles followed by those statesmen. Let them follow the principles of Gladstone, of Disraeli, of Campbell-Bannerman, of Baldwin, of Blake, of George Brown, of Laurier, of Borden, of all those great political men who have written history. When in a department, there exists a vacancy as important as that of deputy-minister, the ministers should fill that vacancy, were it only to render justice to the loyalty of the employees who have a right to the salary set by law. But this is not all: it is false economy to prevent an employee from obtaining a well earned promotion so as to save a few dollars. The salary is not set by the ministers, it is set by law. The law says: There must be a deputy-minister in each department. Why this delay on the part of the Postmaster General? Instead of reading memorandums from conservatives asking for dismissals of good postmasters, why did he not study the law relating to the nomination of deputy-ministers? An injustice was committed by the Postmaster General and the Minister of Marine when they refused to appoint their deputy minister sooner. If they want an economic council, let them first apply the law of justice, let them respect the terms of the law relating to the appointment of deputy-ministers. Let them be mindful that the creation of an economic council does not bring us still nearer to Russia than any other government legislation.

Mr. VENIOT: I understand that in 1932 an agency was organized through which used stamps are sold to the public. I wish the

minister would give us some explanation of the operations of this agency and why it was established.

Mr. SAUVE: It was established to provide stamps for philatelists.

Mr. VENIOT: Used stamps?

Mr. SAUVE: No.

Mr. VENIOT: What does that agency consist of?

Mr. SAUVE: The financial superintendent in control and a small staff.

Mr. VENIOT: I understand that only about $139 or $140 has been received from this agency. There is a rumour which I think should be straightened out. It is rumoured throughout the country that unused stamps which are sold for such small amounts are being traded around the country and providing immense profits to those fortunate enough to be friends of the government and able to get hold of them. Up until 1932 new issues were not sold through an agency, they were sold through the department; and if my memory serves me aright, in some instances amounts of $15,000, $20,000 and $30,000 were realized by the officials and paid into the treasury of this country. At the present time any profit which might be gained through the sale of these stamps does not come to the government; all the government receives is the small amount it gets from the agency established by the financial branch of the department. I want an answer to these questions.

Mr. SAUVE: I do not understand what the hon. member means. I never heard anything about immense profits and I have never received any information in that connection.

Mr. VENIOT: I should like to direct the minister's attention to certain questions which have been asked and the answers he gave thereto. The first question was whether or not the department maintained a philatelic agency at Ottawa, and the answer was yes. The next question was:

If so, what was the cost of operating the said agency in each of the fiscal years, 1931 to 1934 inclusive?

The answer was:

Prior to September 13, 1932, the work was done by employees who were also engaged in other duties, and no separate record of salary cost was kept.
September 13, 1932, to March 31, 1933, $5,007.64; April 1, 1933, to March 31, 1934, $9,828.

The minister now says that he knows nothing about this matter and I should like to know where he got the information with which to answer those questions. The next question asked was:

What was the total revenue derived from the philatelic agency during each of the years 1931 to 1934 inclusive?

The answer given was:

Fiscal year 1930-31, $42,269.65; 1931-32, $38,891.83; 1932-33, $56,250.60; 1933-34, $54,813.31.

Information was given at that time but the minister now tells the committee that he knows nothing about this matter and does not understand what I am talking about. It is queer that the minister can stand up and tell me what he has told me to-night when he has given these answers.

Mr. SAUVE: The philatelic branch has had a revenue of about $50,000 this year. It sells all stamps at face value.

Mr. VENIOT: Do I understand that that is the cost, or the revenue?

Mr. SAUVE: That is what it takes in.

Mr. VENIOT: Why did the minister not give that answer when he was asked before? That figure does not agree with the figures given in the answer I have quoted. The figures given in that answer do not even average $50,000 a year. I should like to know why this agency was organized for the sale of used stamps. Why should not this business be carried on as it was before by the officials of the department instead of giving an opportunity to outsiders to make a profit for themselves? Why was this done?

Mr. SAUVE: About $50,000 was taken in this last year and the hon. member knows perfectly well that it is growing every year.

Mr. VENIOT: What is growing every year?

Mr. SAUVE: I understand the hon. member is referring to stamps sold through the philatelic branch.

Mr. VENIOT: I am talking about used stamps sold to philatelists. Up until 1932 these stamps were sold by officials of the department, and the profits came to the country. Since 1932 these stamps have been sold through an agency which makes a large profit at the expense of this country. Why are these used stamps sold through an agency instead of being sold direct by the department and the profits accumulated to the credit of the dominion, as was done when I was Postmaster General?

Mr. SAUVE: They are not sold through an agency unless you call the philatelic branch an agency.

Mr. VENIOT: Then why was this answer given in Hansard? Why deceive this house? Why not give us the truth? I am not blaming the minister but the policy adopted by the government of running this department, not in the interests of the public but of certain friends who are making graft out of the Post Office department to-day, by establishing an agency to sell these stamps which in the past brought a revenue. To-day that revenue is nil, but those handling these stamps are making a fortune. That is the statement I make. Let the minister have an opportunity to consult his assistant so as to be able to answer the question intelligently.

Some hon. MEMBERS: Carried.

Mr. VENIOT: If you have no more respect for the minister than that, he ought to get out of your company and resign.

Mr. SAUVE (Translation): The hon. member for Gloucester knows French well enough—

Mr. VENIOT (Translation): Yes; I will be pleased to get an answer in the French language.

Mr. VENIOT: The reply in French will be satisfactory to me and will be easier for the minister.

Mr. SAUVE: I know what the hon. member said in French.

Mr. SAUVE (Translation): The hon. member for Gloucester has laid against the Post Office Department a charge that is both exaggerated and unfounded. May I tell him that I am most surprised at his statement and, specially, at the way he treats the Postmaster General.

Mr. VENIOT (Translation): I treat you right.

Mr. SAUVE (Translation): The hon. member for Gloucester claims that there is no proper control in the department, specially so far as the stamps he spoke of are concerned. If the hon. member for Gloucester, who not only has some experience in the administration of the department but has the habit of making extraordinary statements, will only formulate a definite charge, I promise to look into it immediately. If there is graft in the department—

Mr. VENIOT (Translation): I did not say that.

Mr. SAUVE (Translation): The hon. member has insinuated something to that effect and I want to answer the charge.

Mr. VENIOT (Translation): Mr. Chairman, I rise to a point of order.

[Mr. Sauvé.]

Mr. VENIOT: I did not say there was graft in the department but that the policy followed since 1932 favoured graft for parties outside of the department. I am not accusing the department of graft.

Mr. SAUVE (Translation): Will the hon. member for Gloucester give details?

Mr. VENIOT (Translation): I did give you the details.

Mr. SAUVE (Translation): They are not complete enough. It is but an exaggerated statement, words inspired by passion without any serious foundation.

Mr. MULOCK: Were there any supercharge raised stamps, from five to six cents, of the air mail, sold to stamp collectors or vendors or purchasers, whatever the minister likes to call them? If so, how much did the department receive, and were they accounted for? The stamps I refer to are those which were printed upside down by mistake.

Mr. SAUVE: I will obtain the information and give an answer to-morrow.

Mr. MULOCK: Do I understand that the minister is leaving this particular item open until he is in a position to answer the question? I would ask the minister this further question. Does he know what price these stamps are selling at now to stamp collectors in the country?

Mr. SAUVE: If the hon. member will put the question on the order paper I will answer it.

Mr. VENIOT: I do not think that we should be required to place a question of that kind on the order paper. The Postmaster General's estimates are now before the committee and he can answer the question. He is quite right in declining to answer it to-night, seeing that the question has been raised for the first time, and therefore he should have an opportunity to look into it. I do not want to push him to-night, but so long as that answer is not given I do not think that these estimates should pass. That is the point I make. The Postmaster General, speaking in French, said that I was not treating him right. I have sat on this side for four sessions and have listened to the minister's estimates going through. I have had millions of reasons to criticize the Post-

master General's estimates, not only in a general way but in detail, and when the hon. gentleman, reviewing my attitude in the last four years, can get up and say that I am not treating him right because I want a definite answer to a question which interests the public as a whole concerning what to my mind is one of the worst principles ever established in the Post Office Department, namely, allowing outsiders to make a profit on the sale of stamps which should go to the government, then I say that he cannot appreciate it when he is properly treated, and from now on I will reserve to myself the right to criticize him as severely as I feel he should be criticized. I have not criticized the Postmaster General; I have endeavoured to have his estimates go through. I know the responsibility that rests upon his shoulders; I know what a difficult department he has to administer; I know that he represents the largest vending and revenue department of the government of Canada; I know that he has from thirty-five to forty thousand men under his supervision, and I know how difficult it is to administer the department without having undue criticism hurled at him. For this reason I have refrained from criticizing the minister. But when it came to my notice within the last day or two that this transaction was put through in 1932, I felt it my duty not to criticize the minister severely but simply to point out that this had been done and to find out the reasons why it had been done and why outside parties should have been allowed to participate in the surplus revenue that should have come to the Post Office Department. I think the minister has gone out of his way to-night in stating that I have treated him unfairly in handling the question. When I was Postmaster General I stood here for twenty-one days with my estimates held up, but I found no fault with the opposition for the action they took because I was able to meet them. I was able to answer every question that was put to me; I was able to meet and answer every attack that was hurled against me; I stood by my guns and I refused to give in even when the opposition in the dying hours of the attack, after twenty-one days, thought I could no longer go across to England and sit as the first Canadian who ever sat as president of the world postal union, and when they offered to compromise and withdraw their dogs I refused to accept the compromise. If I were to show toward the minister the same disposition that his friends displayed towards me during my tenure of office, he would never get his estimates through the house.

Mr. BELL (Hamilton): All right; go ahead.

Mr. VENIOT: What have you to say about the matter? You are not the minister and you know very little about what is going on in the house. Pardon me, Mr. Chairman, for addressing the hon. gentleman directly and not through the chair, but he had no right to interfere. The biblical injunction is that when you are struck on one cheek, you should turn the other. I want to say that I never turned the other cheek, but I fought straight from the shoulder. I have every sympathy for the Postmaster General. I know his department is not allowed to be run to-day in the way it should be run; I know he is not the master of that department. In my time I would brook no interference in the internal working of the department from any member of the government, not even from the Prime Minister under whom I worked. He knew enough, in carrying on the business of the country, to allot to each minister his department and to rely upon each minister to be able to conduct it properly. That is not the situation to-day, and proof of that is to be found in the fact that for the last two years there has been no deputy postmaster general. Why? If rumour that is circulating is true, the position is being kept vacant for the appointment of a Conservative member of this house who fears that he will not be elected in his constituency in the next election.

An hon. MEMBER: Name him.

Mr. VENIOT: No; hon. gentlemen opposite can name him better than I can, because some of them, as I understand the matter, have been pushing his application to the fore. There is just now a little row in the Conservative party to see which one of two or three should get the position, and not one of those gentlemen whose names are mentioned is fit to fill the position of assistant deputy or assistant to the assistant deputy of the Post Office Department, because they do not know the first thing about it. I want to appeal now to the government: Name your deputy minister according to merit; do not go outside the department and take in to place at the head of that important department a man who knows nothing about it. Name a man according to merit; such men are to be found in the Post Office Department. There are in it members of the civil service the equal of whom cannot be found on the whole continent of America, and I say that after having had four years experience with such men. There are in that department men the equal of whom cannot be found in any other

civil service on this continent; there are there men whom the United States and France take the trouble to consult in regard to the method of administering their departments of mail service. Yet those men are not advanced; they are held back and their being held back is a threat held over their heads.

Mr. BELL (Hamilton): You cut their heads off; what are you talking about?

Mr. VENIOT: I did not cut off one head, but I would be only too pleased to cut off the heads of men like my hon. friend when the time comes, because—

Mr. BELL (Hamilton): You never will.

Mr. VENIOT: —there are many empty heads that should be cut off.

Mr. BELL (Hamilton): All right; start with yourself.

Mr. VENIOT: Let me appeal once more to the government: Grant to the service the money that it deserves; do not hold that position open any longer. This may be only my own opinion that I am expressing, but I take the responsibility for it as I do in everything else that I may say. I say to the government of to-day: Should the fortunes of war in the coming election go against them and your humble servant is called upon to fill the position he once filled in the government of another day, if a deputy minister is appointed from outside the service, I will cut his head off five minutes after I take office.

Mr. BELL (Hamilton): Why?

An hon. MEMBER: Political patronage.

Mr. VENIOT: It is not a question of political patronage; it is a question of fitness for the position, because if you appoint a man from outside the civil service he would ruin and wreck that department inside of three months. That is why I stand by the principle of promotion. I want promotion in the service. I carried out that principle when I was at the head of the Post Office Department, and I want the present government to carry it out and to appoint men from within the service and not to give such positions to political heelers.

Mr. LUCHKOVICH: I do not wish to derogate from the glory of the former Postmaster General. I notice he has a beautiful rose in the lapel of his coat and I think all that is needed now is a laurel wreath to deck his brow. All I wish to do at present is to find out what is the practice of the department in the establishment of new post offices. In certain districts in the west there are localities very much in need of new post offices. What are the factors that enter into the establishment of new offices? How many miles apart must they be? What estimated revenue and what number of people in the locality are requisite to the establishment of a post office? What is the factor as to operating cost, and outside of all the factors I have mentioned are there any mitigating circumstances that might justify the department in establishing a post office in order to give service to people who find it very hard to have to go twenty or thirty miles to the nearest post office already established?

Mr. SAUVE: It would depend on local conditions and needs.

Mr. LUCHKOVICH: The condition of the people or the condition of the Post Office Department?

Mr. SAUVE: Of the locality.

Mr. COOTE: In view of the fact that the government is introducing a minimum wage bill, is the Post Office Department taking any action to increase the salaries of some of the lower paid postmasters?

Mr. SAUVE: Postmasters are paid on commission.

Mr. COOTE: The commissions paid I think are inadequate. What is the minimum salary for a postmaster?

Mr. SAUVE: A minimum of one hundred dollars a year.

Mr. COOTE: And what commissions does he receive?

Mr. SAUVE: Seventy per cent.

Mr. COOTE: Up to what point?

Mr. SAUVE: Seventy per cent on the first thousand dollars.

Mr. COOTE: Has there been any change in the salaries paid to postmasters in the last two years?

Mr. SAUVE: No.

Mr. COOTE: Were they not reduced a few years ago? Are they not affected by the salary deduction?

Mr. SAUVE: Yes, over one thousand dollars.

Mr. COOTE: Is any action contemplated to increase the remuneration for rural mail carriers? Have the government any intention of changing the system under which these men are engaged?

Mr. SAUVE: They are paid by contract. My hon. friend will admit that it depends upon the contract.

Mr. COOTE: Will the government consider bringing them under the minimum wage legislation?

Mr. SAUVE: No.

Mr. COOTE: Then may I ask, if not why not? Are not these men entitled to be brought under that legislation?

Mr. SAUVE: Because their payment is on a basis of tender, not salary.

Mr. COOTE: Not the postmasters, they are paid by salary, not by tender.

Mr. SAUVE: Postmasters are paid commissions.

Mr. LUCHKOVICH: What does it cost to operate an ordinary rural post office in the west?

Mr. SAUVE: A minimum of one hundred dollars a year plus the cost of the mail service.

Mr. COOTE: Is there a permanent postmaster in charge of the post office at Moose Jaw?

Mr. SAUVE: Moose Jaw is in the charge of the district director.

Mr. COOTE: Is the district director at the same time in charge of the district and acting as postmaster? Is he filling both jobs?

Mr. SAUVE: Yes.

Mr. COOTE: Can the minister give any reason why he is filling both these jobs? Should there not be a postmaster appointed for Moose Jaw?

Mr. SAUVE: It is a new departure. A new organization has been adopted.

Mr. COOTE: How long has this man been filling both these positions?

Mr. SAUVE: Since October.

Mr. COOTE: Is it the intention to appoint a postmaster as well as a district director?

Mr. SAUVE: No.

Mr. COOTE: This man is to continue to do both jobs?

Mr. SAUVE: Yes.

Mr. COOTE: Is he paid a salary as postmaster?

Mr. SAUVE: He has a staff for the purpose.

Mr. COOTE: Is the salary paid to him as postmaster or as district director?

Mr. SAUVE: The range of salaries has been increased by the Civil Service Commission.

Mr. REID: Last year I drew the minister's attention to the fact that some sixty householders in a district within a mile of the post office at New Westminster who have no mail delivery had to put up boxes seven or eight blocks away, although the district all round them is served with a house to house delivery. I am making an appeal this year on behalf of those householders. Surely if the district surrounding them can be given a house to house delivery there is no reason why this district should not have it. There are about sixty householders and the district is growing fast. I know the statement has been made that before there can be house to house delivery there must be sidewalks. It may be true that sidewalks should be constructed in low lying districts, but the district of which I am speaking is one of the highest areas in the town, and if it rained forty days and forty nights one could still walk with dry feet there because it is not only on a hill but is also very gravelly. I see an increase in the estimates of some $9,600, and I make an earnest plea on behalf of these people. They are well within the city limits, and I do not think the excuse that it would require one extra postman should be considered sufficient for refusing a service that is long overdue. I ask the Postmaster General what can be done about it this year.

Mr. SAUVE: I shall have an inquiry made immediately and will inform the hon. member what it is possible to do.

Mr. HANSON (Skeena): The minister, I presume, has some authority over the housing of the post office employees throughout the country. I notice in the third line an item of $1,084,600 for miscellaneous, including provision for compassionate allowances to employees injured in performance of their duties. I refer to conditions existing in the Prince Rupert post office. I have already stated on the floor of this house that a respectable farmer would not use that building as a barn. It is cold, it is insanitary, it is a fire trap, and when it is about twelve above zero the people have to go home. I appeal to the minister that he should use part of that million dollars to safeguard the health of those employed there. I have made this plea for them the last three or four years, but I am afraid the minister does not realize the conditions that exist there. Naturally the poor employees themselves cannot complain, because they would take the

chance of being discharged, but I make the complaint and ask the minister to look into it and see that something is done to safeguard the health and the life of those employed in the Prince Rupert post office.

Mr. SAUVE: Surely.

Mr. MITCHELL: Could the minister tell me the subsidies paid the Canadian National and Canadian Pacific for carrying the mails?

Mr. SAUVE: There are no subsidies.

Mr. MITCHELL: Then what are the Canadian National and Canadian Pacific paid for carrying the mails?

Mr. SAUVE: They are paid by the car mile.

Mr. MITCHELL: But I want to know the amount. I know they are paid by the car mile, but what is the total?

Mr. SAUVE: In 1933-34 the Canadian National were paid $2,752,951.41, and in the same year the Canadian Pacific were paid $3,412,744.69.

Mr. MITCHELL: Could the minister tell me why the people's own railroad, with so much more mileage, should get less than the Canadian Pacific?

Mr. SAUVE: The amount paid the Canadian Pacific is greater because the trains of this company operate through districts more densely populated than the districts through which the Canadian National operates.

Mr. MITCHELL: The thought has passed through my mind, and I wondered if the government had taken it into consideration, of pooling the amounts paid the two railroads and dividing them equally between the two companies.

Mr. SAUVE: I do not think that would be practicable.

Mr. MANION: I have heard that question asked many times; I have asked it myself, and in addition to what my hon. friend the Postmaster General has said in regard to the density of population there is another very good reason why the Canadian Pacific happen to have more business in the carrying of mails than the Canadian National. As Minister of Railways I am naturally interested, and I am told that the Canadian Pacific, being the older system, having been the only system as a matter of fact up to 1900 or 1903, and having not only the denser traffic but also the older contracts, naturally has continued those contracts because there has been no good reason advanced for taking them away, since the contracts have been properly carried out. I think that has a good deal to do with the fact that the Canadian Pacific has that advantage. Yet another reason is that the Canadian Pacific, with its ocean services on both Atlantic and Pacific, furnishes a through route, and naturally that must be taken into consideration to a certain extent.

Mr. RHEAUME (Translation): Has any decision been taken with regard to the appointment of a postmaster at Iberville.

Mr. SAUVE (Translation): Not yet.

Mr. RHEAUME (Translation): I suppose it is still under consideration?

Mr. SAUVE (Translation): Yes.

Mr. RHEAUME (Translation): I see an item of $6,545 for the post office at St. John. Would the hon. minister explain it?

Mr. SAUVE (Translation): For the building?

Mr. RHEAUME (Translation): No, for the post office at St. John.

Mr. SAUVE (Translation): For the employees' salaries then?

Mr. RHEAUME (Translation): What is the postmaster's salary?

Mr. SAUVE (Translation): $2,200, or exactly $2,040.

Mr. RHEAUME (Translation): Could the hon. minister tell me how much the cleaning cost last fall?

Mr. SAUVE (Translation): That is under the minister of Public Works.

Mr. BOUCHARD (Translation): May I ask the hon. minister to quit his laconism for a while and give us some details or try to justify what I consider to be an injustice which he has committed when he dismissed Hector Hudon as mail carrier in St. Pascal? After an investigation, he kept him in his position, and if I am well informed, it was during his trip to Egypt—I wouldn't call it his flight to Egypt—that the matter was settled to the detriment of Mr. Hudon. Upon his return I saw the hon. minister, I explained to him the facts the best I could and I was very astonished to hear, last December, that without a word of warning on his part, the contract had been taken away from Mr. Hudon, after an investigation which proved absolutely nothing. If the hon. minister would refer to his files, I think he would find a letter from Father Langlais, parish priest of St. Pascal, strongly protesting against the stand taken by the department.

I understand that it would rather be for the hon. Solicitor General (Mr. Dupré) to answer this question, because he was acting minister when the hon. minister was visiting Egypt. At any rate if the minister would give some explanation, I would be very glad, because I cannot see anything fair in this dismissal.

Mr. SAUVE (Translation): That is a matter of opinion. Everything has its bright and its dark side. Some held that it was fair to leave this contract to Mr. Hudon, while others thought it was unfair. There were representations from both sides, from Mr. Hudon's friends and from his opponents. The latter were complaining about his conduct, and after having weighed the evidence, I came to the conclusion which has just been referred to by the hon member for Kamouraska (Mr. Bouchard). It is true that I received a letter from the parish priest expressing certain opinions; other people expressed different views. I respected them all, but finally had to make a decision myself.

Mr. BOUCHARD (Translation): Mr. Chairman, I am very glad to see the hon. solicitor general in his seat. Perhaps he remembers this case which I consider extremely unfair. The minister hesitated a long time and he states that there were reasons pro and con. I would like to know what may have been the reasons to justify this dismissal. There are many against it, but I do not see any for which they should have dismissed Hector Hudon, a mail carrier who was doing his work quite well. They have never been able to prove anything against him in the performance of his duties. Outside of his duties he had, it is true, an automobile accident, but that has nothing to do with his contracts with the government. I even believe that the mail carriers may, outside of their work, mix in politics, without being liable to be dismissed.

This man had secured a contract for the carrying of mail and he fulfilled it very well. Absolutely nothing was proved against him, but they deprived him of a position upon which he relied for a living. He was fulfilling his task admirably. It is not a case of political partisanship. He has the support of all the citizens including the parish priest and barring none. The first time the case was brought up, I know that the hon. minister thought that the circumstances were in favour of Mr. Hudon, since he maintained him in his position. But I repeat that in the absence of the Postmaster General the acting Postmaster General who is the hon. Solicitor General thought that he could do better, I suppose, than the Postmaster General and he ordered a new investigation. Afterwards he asked for new tenders and virtually proclaimed the dismissal of Mr. Hudon. The case was left in abeyance until the return of the Postmaster General, who, after having recovered from the fatigue of his long trip, was able to take the matter under consideration, and, finally, in December, without a word of warning and without giving anybody a chance to weigh the circumstances, Hudon was dismissed. I consider that it is absolutely unfair and I challenge the minister to deny the facts at any time, on any public platform, or elsewhere. I even invite the Solicitor General, who is well known in our district, to come to St. Pascal and discuss this case before the people. I believe he will realize that never so great an injustice has been done in a county by the Post Office Department.

Item agreed to.

TRADE AND COMMERCE

Mail subsidies and steamship subventions—Atlantic ocean, Pacific ocean, local services, $2,312,258.26.

Mr. ELLIOTT: I was going to ask the minister if he would mind allowing this item to stand for the present. I think perhaps time would be saved by deferring some of the discussion in regard to it.

Mr. HANSON (York-Sunbury): I shall be very glad to allow the item to stand.

Item stands.

British and foreign news service, $15,000.

Mr. SPENCER: Can the minister give us some particulars with regard to the service that is rendered for this amount?

Mr. HANSON (York-Sunbury): This is Reuter's news service, which has been in the estimates, under contract, for many years. The item has been reduced in recent years from $25,000 or $30,000 to the present figure of $15,000. The vote is the amount of a contract under the terms of the present agreement with Reuter's Limited, dated May 31, 1933, for a period of three years. The contractors agree to transmit from Canada, by cable, for distribution in the United Kingdom an average of 7,000 words monthly, or a proportionate number if the cable rates change, of Canadian news calculated to promote and maintain interest in Canada and Canadian activities; and in addition to maintain its present cable service, and to furnish a service of mail news calculated to promote and maintain interest in Canada and Canadian activi-

ties, such news to be distributed by mail throughout the United Kingdom, Australia, New Zealand, South Africa, the West Indies and England. For the purpose of carrying out this service the company will maintain in Canada a special representative who will devote his whole time to the preparation and editing of such news articles, and so forth. It is a very old established service, and it is reported to me that they have sent out a good deal of information under this agreement.

Mr. JACOBS: Not tainted with politics, I hope?

Mr. HANSON (York-Sunbury): I hope not.

Mr. JACOBS: The minister has not been there long enough to say whether it is or not?

Mr. HANSON (York-Sunbury): I do know that that was a criticism levelled at the service at one time, but how far it was justified I cannot say.

Mr. JACOBS: May I ask who the person is who is disseminating this news?

Mr. HANSON (York-Sunbury): Does my hon. friend mean the person in Ottawa?

Mr. JACOBS: Yes.

Mr. HANSON (York-Sunbury): Since the death of Mr. Grange, his brother in law, Mr. McDougall, has carried on this service.

Item agreed to.

Commercial intelligence service, including miscellaneous expenditure in connection with Canada's trade, $696,251.

Mr. SPENCER: Is this the item under which a large amount of advertising was done a year or two ago?

Mr. HANSON (York-Sunbury): No, I think not.

Item agreed to.

Dominion Bureau of Statistics, $380,428.

Mr. MOTHERWELL: This item is generally allowed to stand until all the matters in connection with grain have come before the house.

Mr. HANSON (York-Sunbury): I think my hon. friend is referring to item 276 dealing with the Canada Grain Act. We are not taking up the Canada Grain Act item to-night. The vote now under consideration is for the Dominion Bureau of Statistics.

Mr. SPENCER: Might I ask the reason for the decrease in this vote?

Mr. HANSON (York-Sunbury): The principal reason is the reduction in the staff of the census bureau. The services of a large number of those engaged for the 1931 census are no longer required.

Item agreed to.

Exhibitions and fairs, $195,000.

Mr. BOTHWELL: Will the minister tell us the reason for the increase?

Mr. HANSON (York-Sunbury): The principal reason is the increase in service at different points. The high commissioner has recommended that an increased service be given to the fairs in the United Kingdom. The amount required for that particular item is $52,000.

Mr. REID: Are the displays conducted all over the old country or are they conducted only at one particular point?

Mr. HANSON (York-Sunbury): They are distributed around different points as the opportunity arises. It is not always known in advance just where a display may be made; this depends upon what the requisition may be.

Mr. BOTHWELL: This applies only to fairs outside of Canada?

Mr. HANSON (York-Sunbury): Yes.

Item agreed to.

International customs tariffs bureau, $3,000.

Mr. SPENCER: Would the minister explain this item?

Mr. HANSON (York-Sunbury): This amount is required to provide for Canada's yearly contribution to the international customs tariffs bureau. We make a great deal of use of that bureau. It is located at Brussels and was founded as a result of a convention signed there in 1890 by thirty-nine countries, including Canada. The bureau distributes to the various states supporting it the amendments which may be enacted from time to time. In order to maintain this bureau the countries are assessed according to their respective volume of trade. At the outset Canada was placed in the third class trade position and the average contribution was 3,106 gold francs, or about $600. In 1929 Canada was advanced to the first class and her contribution was raised to 6,833 gold francs, or about $1,319. The amount is increased by ten per cent to provide for the superannuation of the bureau employees.

Item agreed to.

Motion picture bureau, $40,000.

Mr. MacINNIS: Would the minister kindly explain the functions of this bureau?

Mr. HANSON (York-Sunbury): This bureau was organized in 1917 and operates as a branch of this department. One of its functions is to circulate throughout the world motion pictures and photographic material designed to disseminate information about Canada's natural resources, industries, et cetera, and through this means encourage the development of trade. The bureau acts as a central organization for the production of technical and instructional advertising in the form of films and pictorial matter. The bureau cooperates with the provincial governments, the national railways and steamship lines and other agencies for the production of pictorial matter in connection with the dominion's welfare and progress. The bureau cooperates with the motion picture industry in matters pertaiing to the welfare and progress of the dominion.

Item agreed to.

National Research Council, $400,000.

Mr. MOTHERWELL: I noticed an item in the press about a month ago to the effect that Doctor Tory's period of employment by the department was about to expire. Has the government come to any decision as to the retention of his services for a further period?

Mr. HANSON (York-Sunbury): The matter has not even been considered. I think it should be explained that Doctor Tory was employed under a contract for a stated period of years at a stated salary. He is not like any other civil servant; he is there under a special arrangement as the hon. gentleman well knows.

Mr. SPENCER: Would the minister give us the reason for the increase?

Mr. HANSON (York-Sunbury): The national research council is doing a very excellent work in the developing of the natural resources of this country. Because of the reduction of revenues in the immediately preceding years it was not possible to give them all the money they required and cuts had to be made last year and the preceding year. This year they asked for a substantially larger sum than $400,000 but I am bound to say that the best I was able to do for them was the lump sum of $400,000. The officers of the department allocate that amount to the best advantage possible. In view of the condition of the revenues and the immediate outlook it was felt that this was as generous as the government could afford to be. We are very sympathetic with them in their requirements but we could not go quite as far as they asked. They should have about $500,000 a year.

Mr. SPENCER: I am not criticizing the increase; I wish it could be a good deal more. The research council is doing splendid work. Is anything being done in connection with the establishing of a standards board such as they have in the United States?

Mr. HANSON (York-Sunbury): I am afraid I shall have to make inquiry as to that and let the hon. gentleman know. I am not very familiar with the technique of the department.

Mr. SPENCER: Could the minister give us an idea as to some of the worth while things this council has done during the last year or so?

Mr. HANSON (York-Sunbury): An elaborate report is made every year. I have not a copy under my hand at the moment but I shall be glad to see that one is sent to the hon. gentleman. I am sure he will find it to be very interesting reading.

Item agreed to.

Weights and measures inspection service, including the international bureau of weights and measures, $314,396.

Mr. GARDINER: I direct the attention of the minister to a prevalent complaint in Alberta with regard to the weighing of coal. I understand that the coal is not weighed at the pit mouth but on the cars by the railway companies, and there is complaint of shortage of weight with regard to almost every car. Inasmuch as this comes under the jurisdiction of the minister's department I should like to have him investigate the matter in order to see that the railway companies weigh the coal properly, because we are satisfied that proper precautions cannot be taken to weigh the cars and then take off the tare to determine the actual amount of coal in the car. By this method a shortage occurs, with the result that the companies who retail the coal have to sell to consumers less coal than they should. They sell a short ton instead of giving full weight in order to make up the deficiency. I am informed that the railway companies do not stop the cars on the scale but run them over the scale slowly, and this is responsible for the shortage. Will the minister take action in this regard, because the complaint is prevalent.

Mr. HANSON (York-Sunbury): I am glad to assure the hon. gentleman that his remarks will be fully noted and a proper check-up made. The department itself checks the scales, but the method of operating the scales is quite another matter. However, his remarks will be referred to the director of weights and measures and proper action taken in so far as we have jurisdiction. With respect to the modus operandi of the railways, I shall also be glad to have their attention directed to the hon. gentleman's remarks. That is as far as I can go in that respect.

Mr. GARDINER: I do not think that will be far enough. Three or four years ago I brought the matter to the attention of the minister's predecessor but no effective action was taken. In view of the fact that this complaint is widespread in Alberta I think that the minister should look not only into the matter of testing the scales but also into the method of their operation to see that the scales are managed in such a way that those who buy coal will get their full weight.

Mr. HANSON (York-Sunbury): I will undertake that the full jurisdiction of the act shall be enforced; that is as far as we can go.

Mr. BOTHWELL: It has been rumoured in the press that certain recommendations will be made by the price spreads commission in connection with weights and measures. Might it not be advisable to have this item stand?

Mr. HANSON (York-Sunbury): Certainly, if it is the wish of the committee. I may say to the hon. gentleman that the department itself, in view of what has appeared in the press and what has taken place in the committee and the royal commission, has been investigating the desirability of tightening up the whole act. I have had it under my personal review and am of the opinion that the act, which has been in force many years under all governments and neither revised, consolidated nor brought up to date for a considerable time, should be revised in certain specific respects. The whole position is being kept very much in view.

Item stands.

International bureau of exhibitions, $2,300.

Mr. MOTHERWELL: This is a new vote. Will the minister give a short explanation?

Mr. HANSON (York-Sunbury): This is a new item and the amount is required to provide for Canada's contribution to the International Bureau of Exhibitions in accordance with an order in council, P.C. 787, dated April 18, 1934. Perhaps I had better read the order in council:

The committee of the privy council have had before them a report, dated 23rd March, 1934, from the Secretary of State for External Affairs, representing, in concurrence with the Minister of Trade and Commerce and the Minister of National Revenue, as follows:

1. The convention relating to international exhibitions, and the protocol of signature, signed at Paris on the 22nd November, 1928, on behalf of the government of Canada by the plenipotentiary named therein, were approved by the House of Commons and the Senate of Canada on the 6th and 8th March, 1933, respectively;

2. It is provided by article 33 that "the present convention shall be subject to ratification";

3. It is now deemed advisable to proceed to the ratification of the convention and of the protocol of signature in respect of the government of Canada.

The Secretary of State for External Affairs therefore, in concurrence with the Minister of Trade and Commerce and the Minister of National Revenue, recommends that the Secretary of State for External Affairs take appropriate steps to ratify the convention and the protocol of signature in respect of the government of Canada.

The committee concur in the foregoing recommendation and submit the same for approval.

Perhaps I should also read a letter which was addressed to the Canadian minister in France, the Hon. Philippe Roy, by the president of the Bureau International des Expositions. This letter is dated Paris, December 29, 1934, and reads:

Sir,—I have the honour to send you herewith, five copies of the report of the sixth session of the Bureau International des Expositions held at the end of October in Paris.

As your excellency may see in the preliminary note—page 9 of the brochure—the order of the day comprised, among various questions, those regarding: the universal exhibition of Brussels 1935, the aviation exhibition of Stockholm in 1936, the exhibition of technical arts in modern life, of Paris, 1937, and the exhibition of popular arts of Berne, planned for 1939.

The council had moreover to attend to the election of its president, and of a vice-president and to choose the countries represented on the classification commission. Lastly, the budget for the next fiscal year, 1st of April, 1935-31st March, 1936, has been approved, as well as the amount of subscription for the adhering states. From the list on page 54 of the brochure, it appears that the contribution for your country, for the said fiscal year, amounts to: 421 francs x 35 = 14.735 francs.

I take the liberty of drawing your attention to the fact that Canada has not yet paid its dues of 13.834 francs for the present fiscal year 1934-35.

I would be very grateful to you if you would forward to your government the enclosed copies of the report, with the request that they be communicated to the proper organizations that might be interested in the exhibitions.

This is our contribution under the convention which was entered into in 1928 and ratified by the house in 1933. The obligation is to pay Canada's share. This is our share.

Mr. MOTHERWELL: Is this an annual amount?

Mr. HANSON (York-Sunbury): I suppose it is as long as we remain a party to the convention.

Item agreed to.

Progress reported.

On motion of Sir George Perley the house adjourned at 10.35 p.m.

Friday, March 15, 1935

The house met at three o'clock.

RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 38 to amend the Railway Act (Rates on grain).

He said: Mr. Speaker, the bill which I am now asking for leave to introduce is one which would amend the Railway Act so as to give to British Columbia the same terms in the matter of freight rates on grain and grain products for domestic use within that province as are given to the other provinces of the dominion. In other words, this bill will make applicable the same freight rates on grain and grain products westward from Fort William to the Pacific coast as are now in existence from Calgary or Edmonton eastward. These rates were fixed by statute, first in 1897 and again in 1925.

Motion agreed to and bill read the first time.

MINIMUM WAGE

APPROVAL OF DRAFT CONVENTION ADOPTED BY GENERAL CONFERENCE, INTERNATIONAL LABOUR ORGANIZATION

Hon. HUGH GUTHRIE (Minister of Justice, for Mr. Bennett) moved:

That it is expedient that parliament do approve of the convention concerning the creation of minimum wage fixing machinery adopted as a draft convention by the general conference of the international labour organization of the League of Nations at its eleventh session in Geneva on the 16th day of June, 1928, reading as follows:—

92582—110½

Draft Convention Concerning the Creation of Minimum Wage Fixing machinery

The general conference of the international labour organization of the League of Nations,

Having been convened at Geneva by the governing body of the international labour office, and having met in its eleventh session on 30th May, 1928, and

Having decided upon the adoption of certain proposals with regard to minimum wage fixing machinery, which is the first item on the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this sixteenth day of June of the year one thousand nine hundred and twenty-eight, the following draft convention for ratification by the members of the international labour organization, in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:—

Article 1

Each member of the international labour organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

For the purpose of this convention the term "trades" includes manufacture and commerce.

Article 2

Each member which ratifies this convention shall be free to decide, after consultation with the organizations, if any, of workers and employers in the trade or part of trade concerned, in which trades or parts of trades, and in particular in which home working trades or parts of such trades, the minimum wage fixing machinery referred to in article 1 shall be applied.

Article 3

Each member which ratifies this convention shall be free to decide the nature and form of the minimum wage fixing machinery, and the methods to be followed in its operation:—

Provided that,

(1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified for the purpose by their trade or functions, whom the competent authority deems it expedient to consult;

(2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations;

(3) Minimum rates of wages which have been fixed shall be binding on the employers and workers concerned so as not to be subject to abatement by them by individual agreement, nor, except with the general or particular authorization of the competent authority, by collective agreement.

Article 4

Each member which ratifies this convention shall take the necessary measures, by way of a system of supervision and sanctions, to ensure that the employers and workers concerned are informed of the minimum rates of wages in force and that wages are not paid at less than these rates in cases where they are applicable.

A worker to whom the minimum rates are applicable and who has been paid wages at less than these rates shall be entitled to recover, by judicial or other legalized proceedings, the amount by which he has been underpaid, subject to such limitation of time as may be determined by national laws or regulations.

Article 5

Each member which ratifies this convention shall communicate annually to the international labour office a general statement giving a list of the trades or parts of trades in which the minimum wage fixing machinery has been applied, indicating the methods as well as the results of the application of the machinery and in summary form, the approximate numbers of workers covered, the minimum rates of wages fixed, and the more important of the other conditions, if any, established relevant to the minimum rates.

Article 6

The formal ratifications of this convention under the conditions set forth in part XIII of the treaty of Versailles and in the corresponding parts of the other treaties of peace shall be communicated to the secretary-general of the League of Nations for registration.

Article 7

This convention shall be binding only upon those members whose ratifications have been registered with the secretariat.

It shall come into force twelve months after the date on which the ratifications of two members of the international labour organization have been registered with the secretary-general.

Thereafter, this convention shall come into force for any member twelve months after the date on which its ratification has been registered.

Article 8

As soon as the ratifications of two members of the international labour organization have been registered with the secretariat, the secretary-general of the League of Nations shall so notify all the members of the international labour organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

Article 9

A member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the secretary-general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

[Mr. Guthrie.]

Each member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this article, will be bound for another period of five years and, thereafter, may denounce this convention at the expiration of each period of five years under the terms provided for in this article.

Article 10

At least once in ten years, the governing body of the international labour office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

Article 11

The French and English texts of this convention shall both be authentic, and that this house do approve of the same.

He said: Mr. Speaker, the resolution which has just been read is the result of a draft convention submitted by the labour department of the League of Nations and which was approved on June 16, 1928, by the eleventh session held at Geneva. It is called a draft convention concerning the creation of minimum wage fixing machinery, and the approval of this house is now sought of the provisions of this draft convention. While this draft convention was passed in 1928 and submitted in due course to the various nations which make up the League of Nations, it was not formerly introduced in this house nor has a request been made heretofore to parliament for its approval. I may state for the information of the house that the convention has already been approved by the following countries: Australia, Chile, China, Colombia, France, Germany, Great Britain, Hungary, the Irish Free State, Italy, Mexico, Nicaragua, Norway, South Africa, Spain and Uruguay.

I fancy it is unnecessary for me to give any historical résumé in regard to this matter. This draft convention is in a similar position to the other conventions which have been hitherto submitted for approval at this session of parliament. The convention as now submitted follows, I think, exactly the language of the draft convention. If approved by parliament a bill will be introduced with the idea of carrying out the provisions of the convention. If the convention is approved there will be an interval of twelve months before it can be brought into operation under its terms. If approved and ratified by the act which I propose to introduce, then it is registered at Geneva and, after due ratification and notification, becomes binding throughout the Dominion of Canada.

As the house is no doubt aware, in many of the provinces of Canada at the present time there exist minimum wage laws. I think this applies to seven of the nine provinces; the only two in which such laws are not now in force are Prince Edward Island and New Brunswick. New Brunswick has already passed a minimum wage act, but that act is not to be brought into force until it is proclaimed, and I understand that it has not yet been proclaimed. But in the seven other provinces there are different minimum wage laws in force. The effect of the approval of this present draft convention and its subsequent enactment into law will be to supersede the provincial laws in respect of minimum wages. The authority of this parliament with respect to such a matter is I think undoubted, having regard to the fact that Canada became a party to the treaty of Versailles and to the covenant of the League of Nations; and under section 132 of the British North America Act this parliament is empowered to carry into effect such a convention and to impose it upon the rest of the dominion.

There will be in the bill—perhaps I should not mention it now, but I do—a saving clause in respect to the minimum laws in any of the provinces which provide rates in excess of any minimum wages which may be provided under the dominion act. If in any province higher wages are authorized than those provided in the dominion legislation, the higher wages will still prevail. I think that is the only explanation needed of me at the present time, and I move the approval of the house of this resolution.

Hon. ERNEST LAPOINTE (Quebec East): With the principle of a minimum wage in industry we on this side of the house are in full accord, and I am pleased indeed that in most of the provinces of Canada, as the Minister of Justice (Mr. Guthrie) has just said—and I believe that they are the authority to deal with this question—such a provision is in force.

I do not desire to repeat in any way the arguments which I presented when another draft convention was laid on the table of this house for approval, but I wish to place before the house an aspect of the question which I have not dealt with in any way and which I believe is of the most serious importance. The government bases its claim for jurisdiction in this matter, as well as in the other draft conventions which have been submitted, on the treaty of Versailles and more particularly on the labour part of that treaty and on our adhesion to the League of Nations and our membership in the league.

I need not say that I have always been a strong supporter of the idea of the League of Nations. I supported it before it was established; I supported it when it was introduced in this parliament in 1919, and I have always supported it since. I am a believer in the principle of collective security for the establishment of peace in the world, and I do not think I am disclosing any secret in saying that so long as I was a member of the government of Canada I always worked to have our country accept the principles of the league. Indeed, on the question of the acceptance of the optional clause which bound Canada to accept the decision of the international court of justice —it was optional—Canada led the other countries of the empire in the acceptance of that clause, and I had the honour to speak for this country at one of the conferences in London which dealt with that matter. Even last week it was my privilege to address a large audience in my own city in defence of the ideas and the principle of the League of Nations. I have had the honour of serving as president of the League of Nations Society in Canada for the last two years, having only recently resigned, because I thought that in justice to the society as well as to myself I ought to have my full freedom in the discussion of certain matters connected with this question of the League of Nations.

I submit—and I am sorry to say so—that the new theory, the new doctrine which has been accepted by the government and which is being set forth for the purpose of transferring jurisdiction from the provinces to this parliament on certain matters is a blow to the prestige of the league and its work in this country. We entered the league and voted for the treaty of peace, the covenant of the League of Nations, and the international labour office, as I said, in 1919. Canada accepted that because of what was then stated was her obligation as a result of our joining these international bodies. What was stated at the time with regard to this section 405 of the treaty which the government claims gives jurisdiction to this parliament on the question of draft conventions? This is not in any way a new matter. In 1919, when the peace treaty was before the House of Commons, various documents explaining the many matters included in the treaty were at the same time laid on the table of the house. I have before me sessional papers for 1919, the special session which was held just for the purpose of approving the treaty, and there was laid on the table and printed by order of the house a certain report by the British delegates to

the peace conference. I wish to draw the attention of the house to what they said in their report with regard to this very matter of draft conventions, and I quote from page 8 of the report as contained in the sessional papers of 1919. When section 405, the present section, came before the delegates of the peace conference, there immediately arose trouble because of the situation of federal states. The United States delegates of course had an important standing at the peace conference. President Wilson was there with his associates, and this is what the British delegates said:

The American delegation, however, found themselves unable to accept the obligations implied in the British draft on account of the limitations imposed on the central executive and legislative powers by the constitution of certain federal states, and notably of the United States themselves. They pointed out that the federal government could not accept the obligation to ratify conventions dealing with matters within the competence of the forty-eight states of the union, with which the power of labour legislation for the most part rested. Further, the federal government could not guarantee that the constituent states, even if they passed the necesary legislation to give effect to a convention, would put it into effective operation, nor could it provide against the possibility of such legislation being declared unconstitutional by the supreme judicial authorities. The government could not therefore engage to do something which was not within their power to perform, and the nonperformance of which would render them liable to complaint.

The commission felt that they were here faced by a serious dilemma, which threatened to make the establishment of any real system of international labour legislation impossible. On the one hand, its range and effectiveness would be almost fatally limited if a country of such industrial importance as the United States did not participate. On the other hand, if the scheme were so weakened as to impose no obligation on states to give effect to, or even to bring before their legislative authorities, the decisions of the labour conference, it was clear that its work would tend to be confined to the mere passage of resolutions instead of resulting in the promotion of social reforms with the sanction of law behind them.

The commission spent a considerable amount of time in attempting to devise a way out of this dilemma, and is glad to be able to record that it ultimately succeeded in doing so. Article 19 as now drafted—

That is section 405.

—represents a solution found by a subcommission consisting of representatives of the American, British and Belgian delegations specially appointed to consider the question. It provides that the decisions of the labour conference may take the form either of recommendations or of draft conventions. Either must be deposited with the secretary general of the League of Nations and each state undertakes to bring it within one year before its competent authorities for the enactment of legislation or other action. If no legislation or other action to make a recommendation effective follows, or if a draft convention fails to obtain the consent of the competent authorities concerned, no further obligation will rest on the state in question. In the case of a federal state, however, whose power to enter into conventions on labour matters is subject to limitations, its government may treat a draft convention to which such limitations apply as a recommendation only.

Further on they said:

Though reluctant to contemplate an arrangement under which all states would not be under identical obligations, the commission felt that it was impossible not to recognize the constitutional difficulties which undoubtedly existed in the case of certain federal states, and therefore proposed the above solution as the best possible in the circumstances.

In another house, an hon. gentleman who was responsible for the enactment of the law ratifying the treaty in 1919 said: How would the Americans act? They would certainly ratify those draft conventions and act as a nation, and not merely send those draft conventions to the various states. He was in error. This section 405 was drafted just to meet the case of the United States, Canada and other federated states situated in similar circumstances. The Prime Minister said: Yes, but there is in the article mention of the discretion which may be used by the federal member of the league. Yes, there is a discretion, but not a discretion to do what is being done by ratifying these conventions in this dominion parliament. This is what the discretion is:

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only,—

No legislative action is required.

—and the provisions of this article with respect to recommendations shall apply in such case.

The above article shall be interpreted in accordance with the following principle.

That is, there is this discretion that the federal state may treat this merely as a recommendation though it is a draft convention, but when it does not treat it as a recommendation, there is another part of this section that applies, and that part states:

In the case of a draft convention, the member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention—

And so forth. So that the discretion is either to treat the draft convention as a recommendation or to accept it as a draft convention and to ratify it only if the consent of the competent authority to deal with

it is first obtained to do so. The Prime Minister said, a former Prime Minister: But Canada is a nation, and we have the right to act as a nation. Yes, Canada is a nation, I am pleased to see that recognized even by those who did not like it when steps toward nationhood were being taken. I am proud to say Canada is a nation. But Canada is a nation as a federal state. Canada consists not only of this parliament but of the nine provincial legislatures as well. It is Canada as a federal state that is the nation, in exactly the same manner as the United States is a nation, although it consists of forty-eight states which are autonomous and upon whose powers congress cannot encroach; in exactly the same way as Brazil is a nation, as the Argentine republic is a nation, as Australia is a nation. But they are all federal states. And the fact that we are a nation does not give us the right to encroach upon the autonomy and the jurisdiction of the various provinces which form part of our confederation. No hon. member in this house who at that time agreed to enter the League of Nations did so with the idea that this would have the effect of changing the constitution of Canada, that it would have the effect of taking some powers from the provinces and transferring them to the dominion parliament. Every government that has been at the head of affairs since 1919, every Prime Minister, every minister of the crown who has dealt with this matter has taken no other attitude than the one I am taking now. Even the Supreme Court of Canada took the same stand. In another house a gentleman who has been Prime Minister and who is one of those responsible for what took place said, "I was wrong when I said that." He even said that the Supreme Court of Canada was wrong in 1925 when they gave their decision. Well, Mr. Speaker, if those gentlemen were wrong, if the government of Canada was wrong in 1919 when they told us what the obligations were that we were assuming, we accepted everything under a pretence, which I will not say was false, but which amounts to a breach of trust towards those who in good faith accepted the solemn statement and declarations of the statesmen who were speaking for the people of Canada at that time.

The radio and aviation judgments have nothing to do with this question of a draft convention for international labour. They were based on special treaties which were entered into with various other nations. If we accept this theory of the government what does it mean? Every year three or four gentlemen leave Canada to go to Geneva to attend a labour conference. I have here the names of all the delegates to the labour conferences since 1921. There is nobody for whom I have more respect than my good friend Tom Moore, who is head of the Trades and Labour Congress of Canada. There is always a representative of the employers also, he is usually a manufacturer from Toronto or Montreal, sometimes their legal representative. And the government is represented either by one of the officers of the Department of Labour or by Doctor Riddell. They are all good fellows, but has it ever entered the mind of any Canadian that Mr. Tom Moore, or Paddy Draper, or a manufacturer of Toronto should go to Geneva and by simply assenting to or taking part in the passing of a draft convention concerning hours of labour or minimum wages or anything in the world would have the power to transfer from the provinces the jurisdiction given to them by the British North America Act? Nobody has ever dreamed that such a state of things could exist. Do you see what tremendous importance and responsibility those delegates to the international labour conference would have if the doctrine of the government is accepted as the right one?

There is more than that. Since the establishment of the international labour conference Canada has been a member of the governing body. The eight greatest industrial nations of the world had a permanent seat on the governing body, Canada being one. In 1922 I had the honour to go to the meeting of the League of Nations with the late Mr. Fielding to represent Canada, and as a labour conference took place immediately after I represented Canada at that conference. Then there was a movement to exclude Canada from the governing body, passed unanimously in the committee which dealt with the question. I opposed the report of the committee before the full conference, and I had the pleasure to get a unanimous vote rejecting the report of the committee and retaining Canada on the governing body. Since then Canada has continued to sit on the governing body until this year, but this year Canada is replaced by Russia. Of course being a member of the governing body gives prestige to a nation. The resolutions and recommendations and draft conventions that come before the conference are always prepared before the conference takes place, and the members of the governing body have indeed an important part to play there. But Canada is there no longer. Draft conventions

which might be brought before the international labour conference by the governing body, of which we are no longer members, but of which Russia is in our place,—whether we here accept these conventions or not is not the question at all—would have the effect of giving to the parliament of Canada jurisdiction and power which the British North America Act does not give to this parliament. Can this be contradicted or denied? I do not think it can. And I think that you will agree that this is a serious matter, a most serious matter with respect to the prestige of the league and of the international labour conference in this country. In point of fact newspapers that have always criticized the League of Nations, always criticized our membership in it, are taking advantage of this new position to criticize further and to discredit what Canada is doing there and to say that its constitution is being changed at the behest of men coming from all parts of the world. Of course I do not admit that it is right. I do not think the position taken by this house is right, and I humbly submit that it will not be accepted by the courts. I think we shall come back to the constitutional status of Canada as it is, until it is changed in an orderly way, and not simply by assuming a jurisdiction which is not ours.

Now I see my good friend from Winnipeg North Centre (Mr. Woodsworth). He used rather vehement language in regard to my stand on this matter the other day, rather passionate. I do not blame him for that, but he is certainly wrong when he takes that stand. He is not alone in taking that position; I have heard other gentlemen say, "Well, what has the constitution to do with it? When we are facing difficulties we must look after the human constitution" and so on. That is soap boxing at its worst. Certainly human measures must be adopted; we all must do our best to achieve reforms, but they must be achieved in an orderly and proper way and not simply by saying, "We are the strongest; we are going to do it whether or not the constitution says so." And, Mr. Speaker, if the hon. gentleman speaks in this house as he does; if he speaks his mind openly in various parts of the country as he does—and he does well to do so—it is because he is protected by the constitution. The constitution is our safeguard. I cannot understand gentlemen who protest against the prevailing order of things in the world being impatient with regard to the constitution, and being willing to have it set aside if they do not like some of its provisions. I am with them when they ask that changes should be made, but I ask my hon. friend from Winnipeg North Centre what is the use of the committee, to which has been sent his resolution, if we simply say that we assume responsibility, that the constitution need not be changed but that we are merely taking these steps by our own will and our own action.

I agree with my leader that before these measures were introduced in this house there should have been an understanding with the provinces. Not only is that the only legal and rational way; it would have been also the only courteous way, but instead the government are taking a position which will invite trouble, as I am sure they know. They ought to have the opinion of the courts with regard to the matter. The Prime Minister says he does not like references to the supreme court, that they do not amount to anything and that we should avoid them. Well, would it surprise you, Mr. Speaker, to learn that last year, not when my right hon. leader was head of the government but in 1934, no less than three references were submitted to the Supreme Court of Canada? I will mention them. There was a reference as to the constitutionality of the Companies Creditors Arrangement Act. There was a reference as to the constitutionality of section 110 of the Dominion Companies Act, and there was another reference with regard to the legality of certain provisions concerning the tariff board. If these three references could be made last year in connection with matters a good deal less important than those now submitted to the house, why not take the same course with regard to these questions? We cannot refer to what takes place in a committee, of course, but the deputy minister of justice gave it as his opinion that the reference to the courts should take place afterward by way of an action instituted by some interested party, and then the courts could pronounce as to the validity and legality of the act. I submit that this should not be the situation. When matters so important as these, in connection with which industries will have to change their methods, readjustments will have to be made, and large expenditures of money may be necessary, I think the constitutionality and validity should be tested first rather than after the measures are placed on the statute books of the country.

I repeat, Mr. Speaker, that I am in favour of the principle of minimum wages. I am even in favour of this draft convention so far as it applies to dominion works or to those parts of Canada which are not part of any province. So far as the rest is concerned, I am in favour of it but it is for the provinces

to deal with, and I have no hesitation in saying that those who are in favour of these measures will see before long that the position I take is the correct position.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in connection with this measure, as in connection with the other social measures that have been introduced, I welcome the action taken by the government in attempting to honour our obligations under the peace treaty. The hon. member for Quebec East (Mr. Lapointe) has asked why I have urged that a committee consider how we may best revise the British North America Act. Let me say that it must be nearly ten years since I first brought in a resolution to this effect, which resolution was sharply turned down. A few years later I again introduced a resolution along the same lines, and at that time the government promised that we would have some sort of action in the way of a conference on the matter between the dominion and the provinces. That, however, never took place, so this year I again urged that action be taken. I think it would have been well if years ago we could have had a decision with regard to the best means of amending the British North America Act, so I do not think the hon. member who has just spoken can very well say that I have been indifferent to that aspect of the matter. But it is a good many years since we first gave our solemn obligation to do something with regard to such matters as those we have before us to-day. I think the hon. member for Quebec East will admit that times do change and things do move on, and that social changes greatly change even legal interpretations.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: My legal friends may say no; that is a pose with them. After the gold case in the United States I think we all began to understand a little more clearly that political exigencies as well as a completely changed condition do make necessary changes in legal interpretations. A few years ago in Canada our supreme court decided that women were not persons under the terms of the British North America Act. That might have been quite clearly and properly the strict legal interpretation; I am told by my friends that it was. I think, however, that the great majority of the people of Canada welcomed the decision of the privy council that under changed conditions women could have a place in the Senate. We cannot forever be tied down by interpretations given many years ago. The fact is that we live in a new world under changed conditions and in some way or other we must attempt to meet those changed conditions. The hon. member for Quebec East rather suggests that I have been guilty of soap boxing when I have not paid too great attention to the letter of the law in such matters as the one before us. Well, I should like to say to him that in my judgment the constitution was made for Canada and for the Canadian people; the Canadian people were not made for the constitution. I believe that is a sound principle.

Mr. LAPOINTE: Absolutely.

Mr. WOODSWORTH: And it seems to me that under those circumstances some effort must be made to enable us to live—

Mr. LAPOINTE: Change it.

Mr. WOODSWORTH: We are trying to change it. Meantime, we must live. The hon. member for Quebec East was for a good many years a member of a government that made no effort to change the constitution.

An hon. MEMBER: It is not changed yet.

Mr. WOODSWORTH: No, but the hon. member made no effort to change it, and the government of which he was a member made no effort to implement the terms of the peace treaty.

Mr. LAPOINTE: Has the hon. member read the report which was printed following the interprovincial conference?

Mr. WOODSWORTH: Yes.

Mr. LAPOINTE: He must have seen that I made some efforts there.

Mr. WOODSWORTH: It was a very weak effort, one not worthy of the hon. member.

Mr. LAPOINTE: Not as strong as those of my hon. friend of course,—but I did my best.

Mr. WOODSWORTH: I would not say one is doing his best when he is content to accept a very narrow interpretation of our rights under our constitution.

Mr. LAPOINTE: I never accepted any narrow interpretation.

Mr. WOODSWORTH: I think the trouble with the hon. member for Quebec East is that he is so sincere in his beliefs that he assumes all the rest of us must, of necessity, concede that his interpretation is right.

Mr. LAPOINTE: We must never agree.

Mr. WOODSWORTH: There are other interpretations, and I fancy the hon. member for Quebec East is exaggerating a very great deal when he says that such a convention as the one before us is, in effect, a change of the constitution of Canada.

I shall illustrate by reference to another matter, altogether. During the last few years we set up an imperial conference for which there is no provision in the constitution. At that imperial conference certain agreements were made which resulted in certain tariff changes, and those tariff changes were agreed to by the government before they were submitted to parliament. Possibly the hon. member for Quebec East will argue that those imperial agreements really changed our constitution.

Mr. LAPOINTE: Not at all; we are within our jurisdiction.

Mr. WOODSWORTH: He might argue as I have suggested; I am glad he does not. But I submit it is fundamental under our constitution that the people ought not to be taxed, without their consent and tariffs are of the nature of a tax.

An hon. MEMBER: They had to be ratified.

Mr. WOODSWORTH: I am glad to hear the hon. member suggest the reason; they had to be ratified by parliament. Very well; I do not think the obligations we undertook at the time of the Versailles treaty were undertaken with the understanding that we would comply without ratification. I take it that the resolution now brought before us is a ratification by this parliament; that is all it is. I say this because I do not believe the hon. member for Quebec East is at all right when he suggests that the obligations which we undertook at Versailles, in connection with the Versailles treaty in any respect whatever had the effect of changing our constitution. He would seek to frighten us by the idea that since Russia has now taken our place in the council of the league, what Russia determines in conjunction with other members in the council might have the effect of still further altering our constitution. Nothing done there will be binding upon Canada until it is ratified, and the whole problem is as to whether or not we have the right to ratify. It is not a problem of changing our constitution at all. I do not believe the hon. member for Quebec East has been at all right in suggesting any result as serious as that.

[Mr. Lapointe.]

The question is as to whether we wish to ratify the convention. The nations signing the peace treaty recognized very clearly that there could not be permanent peace without the establishment of social justice. I fancy that all of us would agree with that general principle. But if we are to have social justice I believe it becomes necessary for us to have something like uniform international standards. We are recognizing that to a certain extent in connection with our monetary affairs. The world becomes a chaos unless we have something like uniform monetary standards. It would be quite impossible for us to maintain our Canadian standards of labour if Japan, Czechoslovakia or some other country were allowed to compete with us while their workers were condemned to very low standards of living. It is obvious that if we are going to have free competition such as the hon. member for Weyburn (Mr. Young) would like to have, in order that that competition should be fair we would require something like uniform standards. So even the hon. member for Weyburn would be driven to accept something of this nature.

Mr. YOUNG: No, no.

Mr. WOODSWORTH: I take it, then, that unless Canada is to fall far behind other nations we must seek in some way to implement our treaty obligations. The hon. member for Quebec East has stressed the fact that we are a federal country. Well, child labour was continued for a great many years in the United States under exactly the same plea—state rights. It required the new deal introduced by President Roosevelt to get rid of child labour. There are ways of overriding even these so-called state rights, rights which in actual practice frequently mean that certain individuals or certain groups who have personal or corporate interest in maintaining low standards and retarding progress are, under what they call state rights, able to make an excuse for perpetuation the existing state of affairs.

I realize that in Canada we have difficulties. But if this country is to be preserved as a federation we must have uniformity along certain lines. We have one set of tariffs which apply to all of Canada. In the west we have felt that for a good many years, because of the high tariffs which have been granted to eastern manufacturers, we have been very unjustly treated. We are told however that we could not very well split up into

regional divisions for purposes of tariffs, although I would say in passing that the present government has attempted to do that very thing so far as seasonal tariffs are concerned. They have imposed fruit and vegetable tariffs on the people in the west long before they have been placed on the people in the east. On the whole however I believe we have thought that we ought to have uniformity in tariff arrangements. If that be correct then surely we ought to have some sort of uniformity in the conditions under which the manufacturer produces. I suppose it is thirty years since I heard a manufacturer in my own city complaining that we could not possibly introduce provincial minimum wage laws so long as the manufacturers in Montreal were paying their employees much lower wages than were being paid in Winnipeg. There is a good deal in that argument. Therefore we cannot have effective minimum wage legislation until it is standardized throughout the various provinces.

The suggestion has been made that already we have minimum wage legislation in those provinces. We have; but with the exception of one province such legislation is confined to female labour; it is not a general minimum wage scale. My labour friends have always been a little bit afraid of minimum wage legislation because they are afraid that the minimum wage may become the standard wage. I take it that there is some little danger along that line, but notwithstanding this I feel that on the whole minimum wage legislation is a move in the right direction.

Another question arises as to the basis upon which we are to calculate the minimum wage. This offers a real difficulty. Usually it is calculated upon the basis of what is sufficient to support a man and his family in decency. The average family is considered as being one consisting of three children, but it is known to all that we do not have average families. Some workers are not married, others have one child, others two or three children, while others may have six, eight, ten or fifteen children. There is no "average" family and if we provide a minimum wage based upon some hypothetical average family we will not be providing for the needs of actual families. Several years ago I supported a motion moved in this house by one of the Quebec members to provide for something in the way of dominion-wide family allowances. I think such allowances would be reasonable and would be a more just way of providing for the actual needs of families in this country. That motion was thrown out. I realize that there are certain theoretical objections to such an arrangement as some people think that the providing of family allowances would mean the subsidizing of very large familes, which would be disastrous. On the other hand, I would point out that when the standard of living rises, the size of the family usually decreases.

It seems to me that we should make it a crime to employ people in this country at less than a decent wage. Of course this legislation will put this matter within the criminal code, though I would not object to its being placed there. We make it a crime for a man to ill treat his horse by not feeding it properly or by treating it cruelly, but, so far, it has been quite proper for an employer to give his employee less than will enable him to live according to a decent standard of living and rear his family in decency. It seems to me that anything tending to make it impossible for employers to act in this way is a move in the right direction. I have not seen the bill so I cannot speak as to its terms but I hope that it will provide for a standard high enough to make it possible for every Canadian to live decently. Until such time as we get a change in our constitution or until such time as we get a new interpretation of our constitution I think the government is well advised to introduce legislation of this kind and have Canada placed side by side with some of the other more progressive countries in the world.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, it seems necessary that I should make a statement in order to meet certain criticism which appeared last year in the public press and which I think was due to a misapprehension of the views which I entertain. The decision of the Supreme Court of Canada on the question referred to it as to hours of labour and other matters I do not think has been clearly understood or expressed by certain speakers in this house and in another place. Referring to article 405, paragraph 5 of the treaty of Versailles which deals with labour matters, on June 10, 1925, Mr. Justice Duff said:

> It seems very clear that the duty arising under this clause is not a duty to enact legislation or to promote legislation; it is an undertaking simply to bring the recommendation or draft convention before the competent authority.

That was the opinion given by the Supreme Court of Canada on a reference made to it by the government of the day. My personal opinion is that I do not think that opinion of the supreme court is likely to be overturned when read in connection with the question submitted to it. This is simply the personal opinion of one who has been a student of the

British North America Act for a period dating from fifteen years after its passage during which time I have found it necessary to refer to the decisions of the courts on its various provisions and apply them as best I could. There was an important reservation in the decision of Mr. Justice Duff. He said:

> No question is submitted as to the duty of the member arising under the succeeding clauses of the same article in the event of the competent authority or authorities giving its or their consent to the recommendation or draft convention; and upon this no opinion is expressed.

In my opinion, dealing merely with the provisions of the treaty of Versailles, they do not impose upon Canada an absolute obligation to enact legislation with regard to the hours of labour. Speaking from memory only, I believe that when the treaty was being framed it was suggested that the decisions of the delegates sent by the constituent members to the labour office should be binding upon their governments. I believe at one stage the British delegates were in favour of that, but the great body of opinion was that the delegates to the labour office should not be empowered, when framing conventions dealing with matters of special importance to labour, to override the authority or discretion of the governments or the parliaments which they represented at the labour conventions. I do not think there is any foundation for the suggestion of the former Minister of Justice (Mr. Lapointe) that we are bound to adopt recommendations and draft conventions which are submitted to the governments of the various members of the league.

If any obligation arises it arises after the parliament of Canada or the legislative authority of any other member has ratified one of these conventions. Does not the ratification of the convention create new obligations for the parliament which has ratified it? There is nothing in all that I have read in connection with the negotiations leading up to the treaty of Versailles and in all I have read with regard to the formulating of these conventions at the labour office that even suggests that the framing of the convention or the framing of the recommendations limits the discretion of this parliament in its dealing with the convention after it has been brought before parliament. Therefore in my opinion parliament to-day is exercising a free and unrestricted discretion in discussing this draft convention, with an absolute discretion as to whether it will ratify it or not. If parliament to-day, by this resolution, authorizes the ratification of this convention and, pursuant to that authority, the government of Canada on behalf of Canada files with the office at Geneva its ratification, the convention having been duly signed and, in the ordinary parlance, sealed and delivered by Canada, then only the question arises with regard to the obligations of Canada which are created by its act of ratification and signature and delivery of the convention, so sealed and ratified in its name.

Now, with regard to the obligations arising under the convention after it is ratified by Canada, grave differences of opinion have appeared. That was not a matter which was decided by the Supreme Court of Canada in the hours of labour case. That decision which I have noted of Mr. Justice Duff, now the chief justice of that court, reserves that question as to what obligations would ensue from the ratification of one of these labour conventions. That question has never heretofore been before the parliament of Canada; it has never been before the Supreme Court of Canada; and as to what decision will be reached when that question comes before the Supreme Court of Canada, each of us may make his own individual predictions.

In the practice of law for the greater part of half a century I have been called upon from week to week and month to month to advise as to what the law of the country is; but in giving an opinion as to what the law is on new questions of law, counsel is often called upon to predict, from his study of the law and his study of past and contemporaneous decisions, what a majority of the supreme court will find when the question is argued before it. There will be such predictions as the ex-Minister of Justice indicated in respect to the recent decision of the Supreme Court of the United States where five justices decided one way and four gave an opinion to the contrary. On almost any nice legal question that arises men differ, and honestly and conscientiously differ in the opinions which they express on the bench as elsewhere.

It seems to me that the question that will come before the court when the proposed legislation, which will be framed on this convention with a view to carrying it into effect, is finally enacted, involving the obligations which Canada assumes by ratifying the convention, will necessarily include the issue as to the competence of parliament to carry into effect and fulfil the obligations which it has assumed, because there is no doubt that we shall assume obligations by ratifying this convention. By one clause of the treaty of Versailles the obligations which we assume may

be referred to the permanent court of international justice to decide whether we have carried them into effect or not. That clause, as to our duty, even goes further than a reference to the Supreme Court of Canada. The Supreme Court of Canada will decide with respect to the legislation which we enact as to what is its effect and as to whether it is in the competence of the parliament of Canada to enact the specific legislation which the government has in view and will bring down to the house within a few days.

With regard to that legislation I think it is just possible that grave differences of opinion may arise as they have arisen in this house. No one could have a more implicit confidence in the good faith and sincerity of the ex-Minister of Justice than I have, after having watched his career for some twenty odd years. On questions of civil law, of constitutional law and international law, while I may differ from him, I have not the slightest doubt as to his sincerity and good faith in giving expression to his opinions. And more than that, I do not think that in giving his opinion he is consiously moved by political or partisan motives or considerations, because I think he has reached that status where in giving his opinions on pure questions of law, whether constitutional or civil, he will inform the house of his real views. But there are differences of opinion which are likely to arise. Professor Berriedale Keith, in 1928, in volume 1 of his work, states one view, and it has been the prevalent view in Canada up to the present time. It is found in the second edition of "Responsible Government in the Dominions," page 580, from which I quote the following:

> The second point is whether under the treaty of peace the real obligation is not to bring a convention before the authority which can consent to ratify, and this authority is the parliament of Canada. This is ingenious, but it is not the natural interpretation of the treaty of peace provisions, which in point of fact were deliberately inserted to meet the case of federal states where the central authority has normally not a general power to deal with issues such as concern the labour organization under the treaty of peace. No doubt if Canada should ratify by executive action, then the dominion could legislate, but, despite the legality of such a course, it would normally be unconstitutional.

I infer from this that Professor Berriedale Keith, is of the opinion that if a convention such as this is ratified by authority of the parliament of Canada, then it is quite possible that legislation may be introduced to carry it into effect, which would be unconstitutional in the sense of overriding the powers of the provinces, which have been constitutionally vested in them by section 92 of the British North America Act.

Further, in the decision made, as reported in 1932 Appeal Reports, by the judicial committee of the privy council in the radio case, I cannot find an opinion to the effect that, as regards international agreements made by Canada independently of the empire, such as the agreement then made, which was one between Canada and the United States, Cuba and I think Mexico, the effect of Canada engaging in such a treaty necessarily brings that treaty under section 132 of the British North America Act. Such an opinion may be there, but I have read that case many times and I have not been able to find it in the four corners of the radio decision given by the judicial committee of the privy council.

Fifteen years after the passing of the British North America Act, we were told in one of the best schools of law that I think has existed in Canada, that section 132 of that act arose in this way. Prior to the time of the passing of the act it was not necessary for the imperial parliament so called, to ratify all treaties by legislation. Treaties were made in the name of Her Majesty, and such treaties when once made in the name of Her Majesty and ratified by the filing of the documents of ratification relating to the treaty or convention, were binding on the governments of the United Kingdom and all colonial and other governments associated in the British empire. Many of those treaties did not require specific legislation by parliament to carry them into effect. In so far as, when once ratified, they could be carried into full effect by executive authority, they were so carried into effect without confirmation by the imperial parliament, and the imperial parliament was called upon to pass confirming legislation only in so far as such legislation was necessary to carry such treaties into effect by reason of the fact that they directly affected trade and commerce or property and civil rights within the United Kingdom or its dominions. When those who composed the conference in which the British North America Act originated met together and when they subsequently consulted in London with the authorities there, it was then suggested that inasmuch as a certain autonomy was being given to the new Dominion of Canada, its parliament in lieu of the British parliament should be competent to carry into effect by legislation throughout Canada those treaties affecting Canadian interests, which were made in the name of the empire by Her Majesty, that is to say, treaties

regarding which it was necessary to enact legislation to carry out their provisions and to give them full effect. Therefore that power was given to Canada under section 132, and inasmuch as the aeroplane treaty was an imperial treaty, the judicial committee of the privy council gave full effect to the legislation which had been enacted by the Canadian parliament to carry the provisions of that treaty into effect. But we always believed in our younger days that the parliament of Canada under the peace, order and good government clause had a legislative competence beyond that which has since in more recent years, been recognized by our courts. The intention of the so-called fathers of confederation was clearly enunciated by Sir John A. Macdonald in the confederation debates of February 8, 1865, when he said.

> We have deliberately adopted a system different from that in the United States. We have strengthened the central government. We have given the central legislature all the great subjects of legislation. We have conferred on it not only specially and in detail all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred on the local governments and local legislatures, shall be conferred upon the central government and legislature. We have thus avoided that great source of weakness which has been the cause of the present disruption of the United States.

Furthermore, on the introduction and discussion of that bill in the imperial parliament, the intention as it was then understood by the fathers of confederation was clearly expressed by the Earl of Carnarvon who had charge of the bill in the imperial parliament, and this is what he said concerning it:

> The real object is to give to the central government those high functions and sovereign powers by which general principles and uniformity of legislation may be secured in those questions that are of common import to all the provinces, and at the same time to retain to each province an ample measure of municipal liberty and self-government.

He added:

> I ought also to point out that the residue of legislation unprovided for in the specific classification will belong to the central body.

In the early days we accepted those pronouncements as being a fair, full and complete enunciation of the purport of the provisions of the British North America Act. Since that day much has occurred. When under section 92 the provinces were given exclusive jurisdiction with regard to property and civil rights, property and civil rights I am convinced had a comparatively narrow interpretation in the minds of the men who drafted the provision and inserted it in the 13th subsection of section 92. Those men would regard property and civil rights first as civil rights such as had been conferred on the province of Quebec by its civil code, and in other provinces such rights as relate to property, personal and real, the transfer of property, the devolution of estates and all matters of that kind which were in the minds of men who lived in those days close to the soil, may I say, closer than we live at present. But successive decisions of the judicial committee have given widely extended scope to the term "property and civil rights," wider I think than was ever contemplated by the framers of the British North America Act. Decisions of the courts, like the opinions of people in the course of time swing like a pendulum. This recent decision in the radio case shows a disposition on the part of the judicial committee of the privy council to go back to the original view as to the jurisdiction of parliament under "peace, order and good government," and with regard to the vesting in this parliament of these legislative powers which are not specifically vested in the legislatures by section 92. Therefore you find, as I said, a backward swing of the pendulum, and a disposition to discover in the British North America Act wider powers for the federal parliament under section 91, and more restricted powers for the provinces in dealing with matters of property and civil rights. That being so, and reading the radio decision in that light, it seems to me that the judicial committee of the privy council said that that radio convention was a convention which did not come under section 132, and that therefore the legislation introduced to carry it into effect could not be sustained under section 132. At least that is my personal reading. But they did say that the time has come when we must go back and re-read section 91 and find out what was the real import and intention of the enactment of that section and its subclauses. They did find in section 91 under the general powers given to the parliament of Canada, authority to enact legislation relating to radio communication, although it applied generally and affected interests throughout all the provinces from sea to sea. I think in so doing the judicial committee was perhaps getting back to a clearer perception of the purposes and intent of the framers of the British North America Act. If that interpretation is followed it is now probable that the judicial committee may find within the purview of section 91 ample power to deal widely and generally throughout Canada with hours of labour.

But neither you nor I nor the Speaker may now make a final prediction in regard to that decision.

There is, however, one other aspect of the question, and I think when this matter comes before the higher courts some consideration will have to be given to it. Let me return. Whether or not parliament approves of this convention is in my opinion entirely within its own discretion. When parliament has approved, and legislation is introduced to carry it into effect, the enactment of such legislation is entirely within the discretion of this parliament. But when that legislation comes before the higher courts the question will arise as to whether in view of the fact that the acceptance of such conventions was provided for by the terms of the treaty of Versailles, and a particular convention having been submitted and ratified by Canada, the obligations incurred by ratification of that particular convention may not be regarded as arising or growing out of the treaty of Versailles, which is an imperial treaty. In other words whether this particular convention, the approval of which we have in view, having been ratified, and all the obligations under it having been deliberately assumed by the parliament of Canada, and in view of the fact that the convention arises out of the treaty of Versailles, then whether it will not by virtue of such close relationship to the treaty of Versailles be regarded by the courts as an imperial treaty which comes under section 132. Those of you who would like to read a lengthy dissertation on that aspect of the case, will find in the Journal of Comparative Legislation and International Law of November, 1934, and February, 1935, a very helpful article by C. Wilfred Jenks. Mr. Jenks, I believe, is one of the counsel engaged by the labour office at Geneva, he comes from a very distinguished family and has had a rather brilliant career. He takes up and champions in these two successive volumes the idea that when once a labour convention has been ratified by the Canadian parliament, and legislation has been enacted to carry it into effect, the convention thereupon, by reason of its relationship to the treaty of Versailles, has all the effect of an imperial treaty and is covered by section 132 of the British North America Act. I think some lawyers will find some suggestions in Mr. Jenks' disquisition in regard to the competence of parliament with which they may find it difficult quite to agree. But there are the two issues. This convention once being ratified and carried into effect by a bill enacted into law for that purpose, it seems to me that two issues may arise; first as to whether the act of itself is within the general powers conferred upon the parliament of Canada by section 91, especially the peace, order and good government clause, which confers upon parliament legislative jurisdiction in regard to all matters not specially vested in the provinces, and secondly as to whether that convention when so ratified and carried into effect by legislation is in reality and in effect an imperial treaty by reason of the fact that it has grown out of the treaty of Versailles, and was in, even then, in the contemplation of those who framed and ratified the treaty of Versailles, that was undoubtedly an imperial treaty which falls within section 132 of the British North America Act.

I doubt if it is possible to predict with certainty how five members of the judicial committee of the privy council will decide, whether unanimously, or three to two or four to one. But as I have been criticized somewhat in the public press and by others with regard to some statements which I have made previously on the British North America Act, I take advantage of this opportunity to state to the house in a very incomplete way the general views which I entertain. They are not political or partisan; they are simply views which have grown out of my experience as a student and as a lawyer during the last half century.

Hon. H. H. STEVENS (East Kootenay): Mr. Speaker, I have no doubt in my own mind that my legal friends in this house, probably in all parts of the house, will characterize my intervention in this debate under these circumstances as the action of a fool wading in where angels fear to tread. We have heard two very learned dissertations on the law and expositions of the constitution. I confess very frankly that in regard to the observations of my learned and hon. friend (Mr. Cahan) who has just taken his seat I find it exceedingly difficult to determine whether his opinion to-day is what it was in November last.

Mr. CAHAN: It is exactly what it was in November.

Mr. STEVENS: Well, that is comforting indeed; my hon. friend says it is exactly the same. I recall that in November last, in speaking of this matter, the hon. gentleman spoke with a great deal more assurance and certainty than he did this afternoon. I was a little amused, as a matter of fact, as a layman, as one of those stupid laymen who are

more or less incapable of appreciating the intricacies of legal matters or problems, to hear him say "Decisions of the court swing like a pendulum." I thought it was heresy. Well, Mr. Speaker. I have been taught during some twenty-five years in this parliament, listening to very eminent legal men debating the matters of difficulty and complexity that come before this parliament, that decisions of the court are so sacred that one has no right even to question them, and if one does call them into question, being a layman, he simply rules himself out of court and his arguments are not listened to.

I am not so concerned at this time, Mr. Speaker, with narrow legal quibbles about this matter. I was a little disappointed in my hon. friend from Quebec East (Mr. Lapointe), who ended an otherwise very excellent speech in presenting his viewpoint by referring to the arguments on the human side as soap box oratory. I do not think he meant it; I think on reflection he would not repeat the statement. If ever there was a time in the history of Canada and in the history of every civilized country, particularly in western civilization, when it was necessary to view these problems from the human side, that time is now.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend but in the absence of the ex-Minister of Justice (Mr. Lapointe) I think the hon. member is misconstruing what was in his mind and what he said with respect to soap box oratory.

Mr. STEVENS: I cannot say what was in the hon. gentleman's mind; I am merely dealing with what he said, addressing the remark to the hon. member for Winnipeg North Centre (Mr. Woodsworth).

Mr. MACKENZIE KING: He was referring to the hon. member's form of public address on occasion; he was not referring to his speaking on human subjects.

Mr. STEVENS: I am not going to quibble about it, but it was then that he charged the hon. member for Winnipeg North Centre with injecting the human side, which he said was more in keeping—

Some hon. MEMBERS: No, no.

Mr. STEVENS: Yes, he did.

Mr. MACKENZIE KING: He took care to say that he took the human side of these questions very strongly.

[Mr. Stevens.]

Mr. STEVENS: I am not going to allow the right hon. gentleman to distract my attention from the whole matter with a quibble of that kind; we will let the matter drop and let Hansard speak for itself. If I am wrong I shall be glad to make amends to the hon. member for Quebec East. I said I was sorry to see him take that attitude at the end of what was otherwise a very excellent speech from his standpoint. I say, Mr. Speaker, and apparently I carry the judgment of the right hon. leader of the opposition (Mr. Mackenzie King) in this, that at this time we as a parliament have every right to look at the human side of this question. The subject matter of this discussion is the ratification by this parliament of a conference held under the treaty of Versailles. The gravamen of the whole matter, I suppose, could be included in these words:

> Each member of the international labour organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

My hon. friend the Secretary of State, obviously speaking for the government, says—

Mr. CAHAN: I must object to that. The views of the government on this matter have been given both in the Senate and in this house. I stated at the outset that I was giving my personal views of certain issues of laws, in view of such misrepresentations as have been made by others—by my hon. friend—without regard to veracity or accurate quotation. Therefore I deemed it best—

Mr. STEVENS: We will let that word "veracity" go; I just call your attention to it in passing, Mr. Speaker.

Mr. CAHAN: Very well, we will let it go.

Mr. STEVENS: Well, Mr. Speaker, I am under the painful necessity again of recalling that the hon. gentleman was one of those who gave very learned dissertations also on the question of cabinet solidarity. Now he says that although still a member of the cabinet and still enjoying the emoluments of office, he is giving his own personal opinion. That is rather a nice admission and somewhat comforting, I must say. However, the hon. gentleman does say, whether he speaks for himself or the government, "Does ratification impose any added obligation on parliament?" The question of jurisdiction, he says, will arise after ratification is given. I ask the

present acting leader of the government (Sir George Perley) who is in his seat, Is the government playing fast and loose with this resolution? Does it mean or does it not mean it? That is the question that concerns me. I am exceedingly interested in this matter and I am prepared to do anything in my power to ensure the passing of this resolution and the carrying of it into force, but I do not wish to be cajoled into supporting this or into supporting the government in this measure only to be told later on by the Secretary of State or some other member of the government that the measure is one that was passed as a matter of form, but that whether or not any obligation is imposed upon parliament will have to be debated at a later date.

Mr. GUTHRIE: Mr. Speaker, the question was asked directly as to whether the government was sincere in its intention. I had the honour to move the resolution and, as the mover and as a member of the government, I state that the government is entirely sincere and desires the passage of this resolution and to carry it into the fullest effect.

Mr. STEVENS: For that I certainly thank the Minister of Justice (Mr. Guthrie) and I accept his statement at its full face value.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I mean at its full value. Now, sir, the approach that I take to this question is this. This country is faced with a condition which is puzzling members of provincial governments and provincial legislatures, it is puzzling leaders of labour, it is most disturbing to employers of labour and it is a question which is disturbing the minds of many hon. members in this chamber. That condition is the variety or the vagaries of minimum wage laws in this country, and the question as to how this country as a whole, how this federation, how this Dominion of Canada is going to conduct its economic affairs in a manner equitable to employers and employees when in one province we have a rate of minimum wage far below the rate in another province, and when we have a condition whereby it is a simple matter to move an industry from one province to another, because of these various vagaries in the law regarding rates of wages and control of labour. That is a very important question to-day. It is agitating the public mind from one end of the country to the other. It is not a subject which in my opinion should be made the topic of narrow legal discussion. On the contrary I would have expected that the legal gentlemen in this parliament, and particularly great leaders like the hon. member for Quebec East (Mr. Lapointe) and the Secretary of State (Mr. Cahan), whose legal knowledge and experience no one questions, would have lent their ability, their knowledge and effort to find within the compass of the British North America Act some reasons, some justification, some support for parliamentary action in this matter, without necessarily doing violence to the matter of provincial jurisdiction.

Mr. CAHAN: That is what I endeavoured to do.

Mr. STEVENS: Would the hon. member be kind enough to retain his seat; I neither said a word nor interrupted him when he was speaking.

I find in the British North America Act, in its very opening paragraph, in its first words, what to my mind is the basis of this whole matter and should be the spirit, or shall I say—yes, the spirit—in which we interpret the whole act. If a preamble means anything at all, then it is to give direction to thought when interpreting the individual clauses which follow. This is what I find:

Whereas—

And I shall insert one or two words, to make it modern and clear.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: My hon. friends titter. The hon. member for Weyburn (Mr. Young) titters. Well, I say for his purpose and for his enlightenment that I shall insert the words "Ontario and Quebec" where the act uses the word "provinces", and I do that in order to make it more clear and bring the matter concisely to our attention.

Whereas the provinces of Quebec, Ontario, Nova Scotia and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom:

And whereas such a union would conduce to the welfare of the provinces and promote the interests of the British empire:

And so on. In other words, the very basis of the British North America Act is this: First, there is the principle of unity, the desire to unite together, and secondly united on the express desire of these four provinces. The provinces themselves initiated the movement to unite. They asked to be united, and they were united. They further expressed the view that such a union of these four provinces, and of course those which entered

later, would conduce to the welfare not of the dominion as a whole but to the welfare of the provinces.

Anything which conduces or is calculated to disunite this dominion must be considered to be at variance with the intention of the British North America Act. I ask parliament now to pause and consider this. What is there that is conducing or tending to disunite the provinces of Canada more than this inequality in provincial regulations covering matters common to the whole dominion? In this particular instance we refer to labour conditions. The labour conditions on the Pacific coast, in view of the minimum wage laws, are as my hon. friends know on a much higher basis, and higher rates are paid than obtain in Ontario, Quebec and elsewhere. The minimum wage law in Quebec is at variance with the minimum wage law in Ontario. I am not going into any comparison in an effort to indicate which is which, which is better, which is higher or which is lower, but I shall state briefly that they are at variance one with the other. With what result? In the first place we have this result, that there is a competition among manufacturers and industrial leaders to have their factories where they may obtain labour at the lowest cost. In the treaty of Versailles to which this parliament gave its adhesion, its support, its ratification there are words indicating that one of the things sought was to achieve a condition throughout the world whereby variations in social status, labour conditions, pay and so on would be brought into a more equitable and more even position.

Surely if we were sincere in our adherence to the treaty of Versailles, then we ought to do everything we can in this country to set our own house in order and to put our own affairs in harmony with the principle involved. It was indicated in the treaty of Versailles that one of the causes of war was the variation in social conditions of different countries. It is set forth in that treaty that it would be desirable so far as possible to remove such social variations, in order to prevent a recurrence of the great war. That is a most laudable object. If in Canada we are unwilling frankly to face conditions obtaining in this country, and if we are unwilling to set our country in order then I say we cannot claim to be very sincere in our adherence to the principles set forth in that treaty.

I am sorry the hon. member for Quebec East is not in his seat, because I wish to direct a few observations to him. He made the statement that we were taking powers away from the provinces. I would not defy or challenge, but I would invite hon. members of the legal profession in this chamber to show just where we are taking powers from the provinces. If they wish to turn to the judgment of Lord Atkin, of the privy council, they will find his words as they were given in connection with the case P.A.T.A. v. Attorney General for Canada, appeal cases, 2 D.L.R. pages 11 and 12. I ask hon. members to follow these words because I believe they are peculiarly applicable and significant at this time.

If then the legislation—

The Combines Investigation Act—

—is authorized under one or the other of the heads specifically enumerated in section 91 it is not to the purpose to say that it affects property and civil rights in the provinces.

In other words, in the powers specifically set forth in section 91 there are powers at variance with the property and civil rights provision of section 92. Then it goes on:

Most of the specific subjects in section 91 do affect property and civil rights but so far as the legislation of parliament is operating within the enumerated powers there is constitutional authority to interfere with property and civil rights.

In other words, no one can challenge the right of parliament as to any legislation that is included within the specific provisions of section 91 on the ground that it interferes with property and civil rights. I think that is clear and not disputed and the learned justice states that. But there are what are known as border-line matters which are not specifically provided for. Down through the years the tendency has been for the provinces to enlarge the powers granted under property and civil rights and to challenge the right of parliament if in the exercise of its general powers it is presumed to invade their interpretation of section 92.

An obligation rests upon parliament to give effect to a treaty into which it has entered and to legislate in the matter. There has been a tendency to disunite this country economically and socially through the vagaries of these laws and there is imposed upon parliament a fundamental and underlying duty to legislate in these matters unless they are specifically and directly excluded. I can see nothing in the British North America Act which specifically states that they shall not intervene in this matter.

We listened to a very learned if circuitous dissertation upon section 132. Even a high school student knows that this country was not exercising its treaty making powers in 1880 or thereabouts. While it does not state specifically the powers of Canada to-day it

cannot be said that the language is therefore faulty because we did not have treaty making powers in 1880. There does not seem to me to be any question but that it was intended by the British North America Act that where Canada had entered into obligations with the peoples of the world or other parts of the empire, then the Canadian parliament must exercise its powers to give effect to the obligations so entered into.

I am not a lawyer but I remember reading a very learned argument by Alexander Hamilton. It would repay any Canadian to read these arguments of Alexander Hamilton. He was trying to work out and did work out for President Washington some very remarkable laws which he brought within the constitution of the United States. There was one principle which he fastened upon, and I should like to outline this to the house. I look upon Alexander Hamilton as being one of the greatest Americans, not only of his time but of all times. He said that where the constitution gave congress certain power as a federal body it was implied that congress had the right to enact laws which were necessary in order to carry that power into effect. I have not given the beautiful and chaste language which Alexander Hamilton used, but any hon. member who is interested can get this from the library. This was his argument in support of the establishment of a state bank in the United States. It was argued that congress had not the right to create a corporation, that that right rested with the states. Alexander Hamilton said: You have the right to control finance, you have the right to issue money and there is an implied right to erect a corporation to give effect to these matters. He argued that the federal authorities had that right, and the law was passed. That argument has been the foundation in a large measure of much of the interpretation of the constitution of the United States, and it is very apt and applicable to the Canadian situation to-day.

If the Canadian parliament is entrusted with the power to preserve unity or, as was stated a moment ago, peace, order and good government; if it is to give effect to international obligations, which it must do if it is to be an entity; if parliament is clothed with that responsibility then surely it must claim the right to pass the necessary legislation. My chief complaint in regard to this measure is that it was not ratified before. Perhaps I can claim exemption from blame in this respect, because in 1920 I seconded a resolution which was moved in this house asking for the ratification of labour matters. It is interesting to read the opinion of the late Mr. Doherty, who was then Minister of Justice. He spoke against the resolution which Mr. Burnham introduced and which I seconded yet I have in my hand a copy of some of his statements which shows that in his opinion power rested in this parliament under section 132 to do those things which were then asked to be done and which were similar to what is now being asked. I think this convention which was passed in 1928 should have been ratified long ago.

I say to my colleagues in this house that one of the causes of the problems facing parliament to-day is the fact that parliament has failed to occupy the field properly given to it by the British North America Act. I shall give a very striking illustration of this. Under subsection 2 of section 91 there is a very specific power granted. This section reads:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say,—
>
> 2. The regulation of trade and commerce.

I know that legal gentlemen will say: Oh, that is all right but the courts have given decisions on this and that. I say to them and I say to parliament that that is one of the reasons why we are embarrassed to-day. We have had these adverse court decisions and parliament has never seriously attempted to occupy the field which is included in the term "the regulation of trade and commerce." We have tacitly left the domestic field to the provinces; we have interpreted that as meaning that we should deal only with extra-territorial or international trade and as a result there has grown up in this country the belief that we have not the power. We have failed to occupy the field, and there is in economics an old doctrine that if a field of activity is not occupied by one party and another party does occupy it, that party gets a vested right in the field. And so the provinces to-day—and I am not quarrelling with them for it—are claiming rights under property and civil rights, which properly come under section 91, subsection 2. Had this parliament, twenty, thirty, forty or fifty years ago set itself to the task of reasonable regulation of trade within Canada there would be no

challenge of its rights at the present time. But it has never attempted to do so. It has kept away from it, and now we are faced with these adverse decisions and objections and arguments. I submit that in this matter of the regulation of trade and commerce within Canada, on this question of the social and industrial relations of the citizens of Canada, this parliament has a duty to perform; and instead of debating as we did in the early part of this session, day after day, technical matters with hairsplitting legal arguments pro and con—and to-day we have had two learned speeches from hon. gentlemen in this house, who gave this view or that view—instead of having such arguments, I say, if we could only enlist for one session of parliament the cooperation of the legal gentlemen of this house in trying to work out these matters, we could make some progress and have a successful issue of many of these problems.

I do not for one moment suggest that we should disregard provincial rights. I think that in the past there has been too great a tendency to approach these questions in an attitude of exclusiveness—the attitude that we have certain rights which we are going to exercise, and that we shall disregard the provinces. These provinces, all of them, are administered by human beings like ourselves; and I believe that if an approach were made to the provinces in a proper attitude, in a friendly spirit, in a conciliatory manner—and I know that some of them do recognize that this is a problem that must be faced and dealt with—I say that if we approached the provinces in a spirit of cooperation, with a desire to solve these problems in a spirit of harmony, we should make progress. That, sir, I think is important.

My hon. friend from Quebec East referred to the delegates to the conference of the league. He said that if we pass this legislation there will be a tendency in the future for delegates to the labour convention under the League of Nations to arrogate to themselves the right to vary or amend the constitution. I do not think there is any danger of that. I know that most of those who have been to the labour convention since it was inaugurated, representatives appointed by the right hon. gentleman opposite and representatives appointed on this side, are serious-minded. earnest, honest and reputable citizens of Canada, and I cannot conceive of any delegation such as would be appointed by a responsible government of Canada doing anything of that kind. They do come before us or present through the government the findings of the international labour convention. That is what they go there for; that is what they are sent there for. The international labour convention weighs these problems, studies them and comes to certain decisions. Will anyone question the soundness and advisability of the decisions regarding, for instance, international trade in narcotics? A great deal of good has been done in that respect. I fancy that the Minister of National Revenue (Mr. Matthews), if he were speaking now, would tell the house that much valuable assistance has been given the officers of his department in dealing with this very perplexing problem, one of the most human of all problems. And this arose out of the labour convention. There are other matters of similar importance. This one is peculiarly appropriate at the moment. Here we are faced with this problem in Canada—the vagaries and differences that exist; and surely it is our duty, if we can possibly do so, to harmonize these differences in Canada so as to bring about an understanding one with the other so far as the provinces are concerned. Let this parliament, as the constitutional body to do it, take the lead and assume the responsibility, and in due process of performing its duty bring about a better condition and at the same time discharge a very solemn obligation which we undertook at the time of the signing of the treaty of Versailles.

The hon. member for Quebec East referred to another matter. He spoke in rather emphatic language, with a warning to my hon. friend from Winnipeg North Centre (Mr. Woodsworth) about soap box oratory and a few other things, and he said that the constitution is our safeguard. Of course it is. The inference from that language is that anyone who takes a view such as I now take is playing with the constitution, disregarding the sanctity of the constitution. I am just as jealous of the constitution of Canada as the hon. gentleman is, but no harm will ever be done the constitution by a frank discussion in this house, or by searching through it for powers in order to give effect to legislation which we think is good for the people of Canada. There ought to be a little more of the positive and a little less of narrow legal interpretation of the constitution, a little more effort to find within the confines of the constitution the power to do those things that will be in the interests of the people of the country as a whole, instead of throwing legal obstacles in the way. And the time for such an effort is now.

[Mr. Stevens.]

We still have a million and a quarter or more of people on relief. I am not saying that as a reflection on anybody; the reflection is upon us all. But there are a million and a quarter people on relief, and this is one of the measures, one and only one, and I might say one of the minor measures, that might be adopted towards the solution of that problem. Surely therefore it is time the house addressed itself in a positive spirit towards these things rather than in a negative spirit of legal interpretation—I endorse the phrase of an hon. member over here, and I say that we should have a human interpretation of these matters.

I am not going to detain the house at greater length, though there is much more that I might say. I wish, however, to refer to one thing more. The hon. gentleman said among other things that the house was being deceived, that when the treaty of Versailles was passed the house was told that any measures that were brought forward under No. 405 of the treaty would be subject to the proper constitutional body in the country, and he said that that was particularly provided for Canada and other federally organized states. And I think the Secretary of State repeated that. The inference was that by bringing this measure in, the house was being deceived. Well, in September, 1919, Sir Robert Borden, who represented this country as the senior delegate from Canada, and as Prime Minister of the country, returned from the deliberations with regard to the treaty and gave the dominion certain views in an official way. From these observations I will quote very briefly:

Side by side with the covenant—

Mr. DUPUIS: Where is the quotation from?

Mr. STEVENS: It is from a statement made by the then Prime Minister in this house in September, 1919. The exact page on which his remarks appear I have not got; I am quoting from page 335 of Hansard of March 10, 1920, a speech which I delivered on that date, but the quotation is in small type showing that it is properly inserted in this particular part of my speech. I would have taken the trouble to get the original, only I did not think it was necessary to do so. Sir Robert Borden said:

Side by side with the covenant stand the provisions of the labour convention.

I just pause there. Side by side with the covenant of the League of Nations, of the treaty of Versailles, stand the provisions of the labour convention. That was the first intimation this house had of the attitude of the dominion government of that day—and parliament accepted that attitude—of the relation of these labour conventions to the treaty of Versailles, and what this house might expect in its attitude and obligation toward them. Sir Robert Borden continued:

It was my privilege to attend the earlier meetings of the commission which framed the articles on that subject now embodied in part XIII of the treaty. At one of these meetings the preamble of the labour convention was framed. It is as follows:

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; an improvement of those conditions is urgently required; as, for example, by the regulation of the hours of work.

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries. . . .

Holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply so far as their special circumstances will permit.

This language was given to this house by Sir Robert Borden when he returned from the drafting and the passing of the treaty of Versailles, and I invite the house again to listen to these words:

Conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled.

I say that the conditions, the sense of injustice, of inequity of things and the hardship and privation suffered by workers to-day in Canada as well as elsewhere—and one has but to turn one's eyes to the United States to see this condition in perhaps its worst form—are, taking them from a world-wide standpoint, quite as serious to-day as they were when these words were penned and when they were submitted to the house.

An improvement of those conditions is urgently required—

No one will doubt that. Those were the words given to the house when this treaty was first brought here in 1919.

—as for example, by the regulation of the hours of work.

And so forth. So I conclude with this, that in my opinion the house should support the government in passing this legislation. We have the assurance of the Minister of Justice (Mr. Guthrie), for which I again thank him, that the government not only intends

to have this convention ratified, but it believes in the position it assumes in doing so, it has a right to pass the legislation that is demanded thereunder, and it intends to implement the power that this will invoke and to give at least this measure of security to the workers of Canada, in the hope that it will be productive of greater harmony and concord throughout this country socially and economically.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, if anything were needed to make it perfectly clear that the position which the opposition have taken with respect to the government's so-called social legislation is the correct one, namely, that it would have been advisable to obtain in the first instance an opinion from the Supreme Court of Canada as to whether it is within the competence of this parliament to enact the various measures of social legislation that are being brought down, it would be found in what we have witnessed in this house this afternoon. I have no desire to enter upon another long discussion of the constitutional aspects of the question. The debate, to which we have listened this afternoon, has, in that particular, been largely a repetition of arguments that have been presented before. It is true that, in what both the ex-Minister of Justice (Mr. Lapointe) and the Secretary of State (Mr. Cahan) have said, we have had important and very valuable additions in the way of opinion with respect to points that will come up in controversy. But of one thing there can be no uncertainty whatever, and that is that so far as the question of the competence of this parliament is concerned in presenting for enactment measures of this kind, with any hope of their enforcement, there is the gravest possible doubt.

I much less wish to enter into what appears to be an irreconcilable family quarrel among hon. gentlemen opposite; but I think I should point out that what there has been of controversy, of difference of opinion, in the house this afternoon, has not for the most part been between those of us who sit, sir, to your left as an opposition and hon gentlemen who sit to your right as the government and its supporters, but that the sharpest and most acrimonious differences of opinion we have witnessed in parliament this year have been among hon. gentlemen opposite. What we have been, I shall not say privileged but, forced to witness is in the nature of what evidently has taken place in the cabinet when these very measures have been under consideration. It is quite apparent from what the hon. member who has just taken his seat, the ex-Minister of Trade and Commerce (Mr. Stevens), has said, there was a very serious difference of opinion between the ministers of the crown when these matters were under discussion, and that he held one view and that some of his colleagues held another. In that regard, just in passing, may I draw attention to the fact that the hon. member addressed his question as to the competence of parliament to enact this legislation and what was intended to be done about enforcing it, to the acting leader of the government (Sir George Perley), but he was replied to not by the acting leader but by the Minister of Justice. That is a significant fact, one to which attention should certainly be drawn. It is quite apparent that however the forces have been divided, they have been divided in a very real way. Indeed one has only to look at the correspondence which passed between the Prime Minister (Mr. Bennett) and the ex-Minister of Trade and Commerce at the time my hon. friend's resignation was accepted to see that the Prime Minister told him then in no uncertain language that he was putting forward in the cabinet at that time views which could not be entertained by his colleagues, that he was raising with respect to legislation hopes in the minds of the people of the country which there was no justification for raising, and that he was at fault in so doing. If that has been the kind of thing that has been going on in the cabinet with respect to this social legislation, is it any wonder that after hon. gentlemen opposite have had some six months in which to try to reconcile their differences, we on this side, when all this social legislation is suddenly brought before us, should feel that at least there is need for a little more in the way of careful consideration of the authority of parliament before proceeding too far with these enactments.

May I ask this question: is it going to help to bring about the great objective which my hon. friend who has just taken his seat says he has in view, which members of the present government say they have in view, that the country now knows that in this parliament itself there is difference of opinion not only between hon. gentlemen who sit to the right and those who sit to the left of Mr. Speaker, but a cleavage in the ranks of the government itself and its supporters? There could be no more obvious evidence of the uncertainty of the whole situation. The government has proceeded to build its house on the sands of controversy and dissension, instead of seeking to construct it

upon the rock of constitutional authority, right and power, which admits of no uncertainty.

May I also say to my hon. friend that when he speaks about parliament itself deciding what it shall do in these matters, and taking upon itself not merely to enact legislation but also to interpret it; when he speaks about viewing the constitution as something which is sacred and therefore to be regarded with a degree of reverence, it must be remembered that under the constitution this parliament is only one branch of government. There are three branches of government under the constitution, each of which has a distinctive and known jurisdiction and obligation. Parliament is the legislative branch; it enacts the laws. There is the executive branch for the carrying out of the laws, and there is also the judicial branch for the interpretation of the laws. We in this parliament may discuss the matter from now until doomsday, but we cannot give to any law enacted here, and make it hold, an interpretation other than that which the courts will finally place upon it. That is known.

I shall not say what I think must have been in the mind of my hon. friend when he tried to indicate that the ex-Minister of Justice, the hon. member for Quebec East was more concerned with the legal view of things than with the humane view. In so saying, he was simply playing to the gallery, he was simply indulging in claptrap.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: He was taking a course which as a member of this parliament, and knowing the hon. member for Quebec East as he knows him, was wholly unworthy of him; for he knows as well as I do, and every other hon. member of this house does, that no more humane man lives in this dominion than the hon. member for Quebec East. The member for Quebec East was very careful when speaking here to say in the clearest language possible that he was in sympathy with all this legislation because it was humane legislation and because he believed in the principles of it; but he wanted to see the legislation enacted in a manner which would give it a place which was beyond all doubt upon the statutes either of this parliament or of the legislatures of the country. Now if a battle is to be waged through this country upon the motives of men, in which one individual or party is going to claim a monopoly of all humane thinking and acting, some gentlemen are going to be very considerably disappointed, because so far as humane sentiments are concerned I think it is apparent to all, that members of this parliament, irrespective of party, are interested in seeking to better the conditions of their fellow men. However much I may differ with most hon. gentlemen opposite I believe there will be found in their breasts just as much of the milk of human kindness as is to be found in the breast of the hon. member who has just taken his seat.

Something has been said about national unity and the uniformity of laws. The ex-Minister of Trade and Commerce voiced condemnation because years have been allowed to slip by without these conventions being ratified. He has, I should have said, condemned parliament for not having ratified these conventions. He said that away back in 1920 he moved for the ratification of some measure, some convention, or so I understood him. May I say to my hon. friend that if his words are in the nature of a condemnation, it is a condemnation of himself and the government of which he was a member for nearly four years? This is not the first session of this parliament, it is the sixth; my hon. friend was for five succeeding sessions a member of the government, of which he now no longer is a member, and in every one of those sessions he had opportunity to insist that these conventions be ratified. Why were they not ratified? Evidently because my hon. friend was not then prepared to take the stand he now wishes to take on the eve of a general election. We are beginning to find out many interesting things as we approach the moment of an appeal to the people. The actions of public men will be judged not by the views they present at the eleventh hour but by the views they have stood and fought for year after year through the whole of their lives.

Mr. BELL (Hamilton): You had nine years.

Mr. MACKENZIE KING: We had nine years, yes, and during those nine years we advanced steadily forward in social legislation.

Mr. BELL (Hamilton): You went forward crab-fashion.

Mr. MACKENZIE KING: I am not going to repeat what I have said previously. I think the record of the Liberal party in the matter of labour legislation is well enough known in this country not to require special emphasis now; its record in the enactment of social measures and the nature and extent of them are very generally known. But I

ask my hon. friends: What about the past five years? Every time they seek to stress the argument that these measures should have been enacted nine years ago, they doubly condemn themselves for not having enacted them within the last five years. Some of these things were not possible years ago, as they are to-day and have been since 1930. Times change, conditions change, new problems come to the fore. When the last Liberal government was in office it was dealing with post-war problems and the condition of the country as it had resulted from the war, questions that to the exclusion of others had to be dealt with immediately. This is an age in which social problems are being dealt with in all quarters of the globe, and it is natural they should come up in this parliament at this time. We on this side from 1930 until this present year, over and over again directed attention of hon. gentlemen opposite to the fact that then was the time for them to bring about a conference between the provinces and the dominion with a view to settling the question of the legislative competence and authority of parliament on matters of social legislation; that during this parliament was the time to bring about a conference which would obtain the agreement of the provinces to many of these measures, and above all the time in which, if the British North America Act required amendment as we say we believe it does, that amendment should be brought about. But that step has not been taken, and the result is that to-day we are exactly where it was indicated five years ago parliament would find itself, unless some immediate step were taken to have the British North America Act amended and authority given parliament to enact measures of this kind.

When there is mention of the desirability of uniformity of minimum industrial standards there is as I see it no division of view among hon. members of this house. We may have individual differences as to the particular point at which a given standard should be placed, but generally speaking I think everyone in this parliament holds the view that uniformity of labour standards, constituting a national minimum, is a desirable thing, not only within one country but, if it can be obtained, throughout the world. Indeed, that is the whole objective of the labour office and conference of the League of Nations. We are all united as to the desirability of uniformity in minimum standards. The whole question of difference between us is the question of method. Until this year we have always assumed that the provinces were the bodies that had the legislative competence to pass minimum wage laws, eight hour day legislation and other measures of the kind. If we were not of that opinion, and if the provinces were not of that opinion, how is the fact to be accounted for that all the provinces of Canada have enacted legislation of that very kind? The very fact that you have the provincial statutes filled with social legislation is evidence of the fact that the provinces have regarded that subject as coming within their particular sphere. But as they have legislated, it has become obvious that there are differences in the laws of the different provinces. I am not so sure that some of those differences have not arisen out of the differences in economic development and the resources and the nature of the industries in the different provinces. In great industrial provinces like Ontario and Quebec the situation is bound to be different from the situation in the prairie provinces, and conditions in the maritimes and on the prairies are bound to be different from conditions in British Columbia. As time goes on industrial standards will come more and more to find the one level, but I submit that you are not going to bring about the level that is desired by adopting in this parliament a course which is arbitrary and unconstitutional, when all the while there is before you an obviously right and simple course to follow. What we on this side have been contending for is the course that we believe in the end will be the surest, safest and swiftest course in bringing about uniformity of legislation. The provinces can be brought together in agreement not only with themselves but also with the federal government on these matters. The social conscience is awakened at this time as never before, and there will be a desire, I am sure, in any great conference of the provinces and the dominion properly constituted and conducted to harmonize the views of all parties on these questions of minimum standards in industry. Our view all along has been that this was the step that ought to be taken first.

I believe there will be found agreement between the provinces and the dominion as to the desirability of amending the British North America Act first of all, so as to give to ourselves the power to amend our own constitution and to this parliament the right to legislate on certain of these matters of social legislation to be very clearly defined. But when that question is being fully discussed, I believe it will be found to be inseparable from the whole question of the financial relations between the dominion and the provinces. I believe that what will be as necessary as

agreement between the provinces and the dominion in matters affecting the amendment of the British North America Act will be very careful consideration of the financial relations between the provinces and the dominion, which will result in the dominion assuming some of the obligations that to-day belong to the provinces or giving to the provinces certain rights with respect to sources of revenue which at the moment they may not have. I believe the two subjects will be found to be interrelated and intertwined; but I do also submit that we will not hasten the day, and we will not make the situation any more secure, by taking a step in this parliament which, instead of seeking to bring the provinces and the dominion into closer relationship, is raising a question of difference between them.

That brings to mind what my hon. friend has just said about unity in Canada. One of the strong objections, I think, to the manner in which the government is proceeding with this legislation is that it is tending to divide this country instead of to unite it; it is tending to emphasize differences between the provinces and the dominion. Indeed, the whole underlying danger of the situation is that, as the result of political discussion during a general election, it may raise all kinds of controversy in connection with provincial rights versus dominion rights. Well, if we have that sort of thing added to all the uncertainty that exists in the country, and in the world to-day, I am afraid we are going to be much further away from national unity at the end of a political campaign, whatever may be its results, than we have been at any time heretofore.

Once more, in view of what we have heard this afternoon from the Secretary of State (Mr. Cahan), who gave us the benefit of his wide knowledge and experience with regard to these questions of constitutional obligation and law, and from the ex-Minister of Trade and Commerce, who gave us the difference of view that existed in the government and what he put forth as the point of view he thought should be made to prevail, I would hope that even yet the government might see the wisdom, while in no way ceasing to go on with the enactment of these measures, of referring one or more of them to the supreme court for an opinion before an endeavour is made to put them all into force in this country. I do not say that with any desire to impede the enactment of these measures, or their operation subsequently, but I do say that if you have an eight hour day law put into force, immediately some injunction will be issued against the enforcement of some essential provision, the case will be tested in the courts and the effective operation of the legislation will be held up. Then if an adverse decision is given, immediately you will have another test case with regard to the minimum wage legislation, and the same thing will happen in regard to these other pieces of social legislation that have been introduced. The result will be that neither labour nor capital, neither the employer, the employee or the public, neither the business man, the merchant nor anyone else will know where he stands or where he is likely to be with regard to the laws of the country. That is a very dangerous position in which to put a country when conditions are as serious as they are in the world at the present time. That can be avoided if hon. gentlemen will take the one step I have all along been urging; and may I point out that they have made the way very easy for themselves. As we were told by the Minister of Labour (Mr. Gordon) yesterday, he is allowing three months before his eight hour day bill goes into effect. The Prime Minister has told us that it will be some considerable time before an attempt will be made to assess any dues under the unemployment insurance act, and that all that will be attempted in the first instance is the creation of the commission. I have no doubt at all that we shall find the same amendment, as to delay in enforcement, placed in this act with regard to minimum wages, allowing another three months or so to elapse before it will come into operation. Then there is the amendment in regard to the day of rest, which means another three months or so in that case. Within that period of time any one or all of these measures could be referred by the government to the supreme court and an opinion obtained, just as was done with respect to the other measures mentioned this afternoon by the ex-Minister of Justice. If the court says the enactment of these measures is within the competence of parliament, then I think everyone will be tremendously relieved and will do the best he can to see that the decision given is upheld. If however the step suggested is not taken, I venture to say we will find the validity of every one of these acts contested in the courts. The controversy will run from the local courts to the supreme court, and from the supreme court to the judicial committee of the privy council. A year or two hence, we will probably find ourselves in the position where all the government's social legislation has been upset, with the result that the whole business of legislation will have to be begun de novo.

I believe what we have witnessed this afternoon is quite sufficient to justify every word I have said by way of observation upon rather than of criticism of the remarks of hon. members opposite, and certainly is sufficient to justify the attitude the official opposition has taken from the beginning with regard to all this social legislation.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, I feel sorry when I hear the right hon. gentleman opposite (Mr. Mackenzie King) endeavouring to justify the position taken by his party regarding the measures brought forward by the government. Although I have only a few moments to speak if I wish to conclude by six o'clock, I should like in those few moments to state that it was rather unworthy of the right hon. gentleman to make the reference he did to the question asked this afternoon by the ex-Minister of Trade and Commerce (Mr. Stevens). My colleague, the Minister of Justice (Mr. Guthrie) moved the approval of the convention, and it was quite proper that he should answer the question.

Mr. MACKENZIE KING: I asked the acting leader of the government.

Sir GEORGE PERLEY: Yes, but perhaps the right hon. gentleman does not know that as a rule during debate I do not answer questions. The answer my colleague gave is absolutely correct. The government is quite sincere in its social legislation, and purposes carrying it out in every possible way to a successful issue.

I should like to point out to the right hon. gentleman that he is endeavouring to fight the government but at the same time support its legislation. How can any man take that ground and expect the people of this country to believe he is in earnest?

Mr. MACKENZIE KING: It was the ex-Minister of Trade and Commerce who was fighting the government.

Sir GEORGE PERLEY: Only a few days ago the right hon. gentleman read a long statement in regard to the position of the Liberal party, and when he had finished I was not quite sure which side he was on. No person can tell. The right hon. gentleman said:

> The Liberal party approves the principle of the social legislation thus far introduced and desires to see it in operation.

Then he goes on to say that it should be referred to the supreme court. Well, the right hon. gentleman knows perfectly well that in legislation of this kind a reference to the supreme court would be only a pious reference, and would have no binding effect. Legal actions could be brought all the same and the cases could be carried through to the highest court in the British empire. If the right hon. gentleman really wishes to have social legislation why did he wait all these years? Why did he not put it into effect? He makes the statement that the Liberal party during the time he was in office had had negotiations with the several provinces.

Mr. MACKENZIE KING: So we had.

Sir GEORGE PERLEY: Yes, you had, time and again, but never got anywhere with them.

Mr. MACKENZIE KING: The Old Age Pensions Act is the answer to that.

Sir GEORGE PERLEY: He made no arrangements with the provinces towards having a change in the British North America Act, despite the fact that in many of the provinces there were Liberal administrations. This government has had two or three provincial conferences in which we were unsuccessful in seeing eye to eye on the question of amending the British North America Act. To-day the government is acting, whereas the government led by the right hon. gentleman opposite did nothing but say that through all those years they were considering the matter. They were in favour but they had not the courage to put their views into operation.

The right hon. gentleman cannot run with the hare and hunt with the hounds. How can he reconcile being opposed to the action of the government and at the same time favour the legislation? One day he takes one side and another day he takes another. One moment he votes against the government and the next he votes with the government, and on the very same measure. I submit that his position is untenable and that he cannot maintain it. He should give the present government credit for having the courage to bring down social legislation and doing everything it possibly can to have such legislation work properly and for the comfort of our people.

I believe I have said all I wish to say. The matter has been debated at length and some very interesting points have been brought out. I do not suppose it will be necessary to take a division, as the right hon. gentleman seems prepared to vote for the resolution. Yet he stands up and criticizes the government for bringing in the legislation he favours. Why

has he not the courage to stand in his place and offer the government his congratulations upon its courage in putting through reform measures?

Mr. BELL (Hamilton): He would not say yes and he would not vote no.

Motion (Mr. Guthrie) agreed to.

Mr. MACKENZIE KING: Is the bill not to be introduced?

Mr. GUTHRIE: There is no bill yet.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVILEGE—MR. POULIOT

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata (Translation): Mr. Speaker, l'Illustration of to-day's date contains the following article:

To-day, the house established three records: this afternoon, for speed; this evening, for weakness and imbecility. The weakness, alas, was that of Hon. Arthur Sauvé, whose estimates were voted. The imbeciles were those who, for two whole hours by the clock, with incredible meanness, vented criticism and attacks on the Postmaster General. First, Mr. Pouliot went after the minister with might and main and attacked him with the utmost fury.

The Attack

In justice to Mr. Pouliot, let us say that, while his attacks were the most violent of those showered on Mr. Sauvé, they were the most intelligent, the most methodical and, therefore, the most formidable.

To write that an imbecile made the most intelligent attack, one must have reached the depths of stupidity. That such a person should use the word "imbecile," I care very little; but when he adds that an imbecile made the most intelligent attack, he perpetrates a grave insult.

If I catch him at it again, I will amuse the house with the strange tale of the knife and the no less strange one of the Nelson column.

PRICE SPREADS COMMISSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, apparently my hon. friend the Secretary of State (Mr. Cahan) is leading the house at the moment. I rather hesitate to ask him the question I have in mind. However, I think I should have it immediately of record. The other day I asked the acting Prime Minister (Sir George Perley) if he could give the house some information as to when we might expect the report of the royal commission on price spreads and mass buying. In this evening's Ottawa Journal I notice an article which no doubt appears in other evening papers. This article is headed:

Stevens' Program on Price Spreads Presented.
Abolish Rebates Exceeding Total of Five Per Cent.
Suggests Application of Dumping Duties in Domestic Trade to Overcome Special Prices to Mass Buyers.
Would tax Salaries Over $10,000 and Regulate Set-up of Firms.

Hon. H. H. Stevens, former Minister of Trade and Commerce, has presented his recommendations to the price spreads commission to establish fair and just practices in the marketing and distribution system of Canada.

I should like to know whether the government regards this commission as a judicial body or whether it is a publicity bureau. Can the government give any information to the house as to when we may expect to have an authentic report of the commission's work? I should like to know also whether the commission can be advised in the meantime that parliament has certain rights and privileges and should be informed of the work of bodies of this kind before the general public is so informed.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, the right hon. gentleman asked his question of the acting leader of the government, who responded that he would inquire of the chairman of the commission and that he might be in position to give some information at an early date. I think it will be necessary for the acting Prime Minister (Sir George Perley) to make the reply to the questions asked by the right hon. gentleman. Nevertheless I think it is the view of both sides of the house that this commission is in its character a quasi-judicial body, but it would appear that there are bureaux of publicity outside of the commission from which reports are emanating to the public press.

CANADA-FRANCE TRADE AGREEMENT

BILL TO CONFIRM ADDITIONAL PROTOCOL OF 1935 TO THE CONVENTION OF 1933

The house resumed from Thursday, March 14, consideration in committee of Bill No. 32, respecting the additional protocol of 1935 to the Canada-France trade agreement of 1933—Mr. Cahan—Mr. Morand in the chair.

On section 1—Short title.

Mr. BROWN: Mr. Chairman, when this bill was receiving its second reading I indicated that I had some statements to make with regard to certain conditions which had arisen under the operation of the old treaty, and the minister in charge of the bill indicated that it would be acceptable for me to make these statements at this stage of the bill.

I think it is generally agreed that if we are to recover world trade and eliminate restrictions on trade, it can be done only by way of treaties such as this. These treaties should be devised to facilitate trade rather than to act as restrictions, as certain of them seem to have done. It may be that the minister will be able to give a satisfactory explanation of certain conditions which have arisen. These treaties are supposed to confer a benefit upon Canada in two different ways: first, by allowing a greater volume of exports to the country with which we have made a treaty, and, second, by permitting the receiving of goods from that country at a lower rate of duty, thus conferring a benefit upon the people. There would seem to be some indications that the French treaty is not satisfactory from the latter point of view.

I have in my hand a letter which was addressed to Mr. McGregor, registrar of the Combines Investigation Act, by a firm styling themselves Drug Agencies. It would seem that before this treaty came into effect this particular firm was buying certain pharmaceutical preparations in the open market in France. They claim that they are now unable to do this because of article 9 of the French treaty, which reads:

> Either of the high contracting parties may require that goods imported into its territory and coming from the territory of the other, shall be accompanied by a certificate of origin delivered in conformity with the laws of the country of origin; provided, however, that a presentation of the certificate of origin shall be obligatory in the case of importation of pharmaceutical specialties, toilet articles and articles of perfumery. Such certificate shall be issued or delivered by the competent authority in the country of origin and shall be visaed by the consular or other authority of the country of destination.

I had on the order paper a question which I withdrew asking whether both parties to the treaty were insisting upon certificates of origin. At that time I had not read this article, and it seems that it was optional with either country to ask for the certificate of origin except with respect to pharmaceutical preparations. Now the complaint is made by those who have brought the matter to my attention that this particular article was introduced into the treaty at the request of the Canadian government. Of course the fact that it is here indicates that both parties have agreed to it. But I cannot understand why special emphasis should be laid on pharmaceutical preparations unless for the reason suggested by those who are making the complaint, namely, that the Canadian government wished to give to certain interests a monopoly of the importation of these preparations. It appears that certificates of origin are granted in France by the chamber of commerce; that is the body that has been delegated to give these certificates, and I understand that they will give them only to the manufacturers of these preparations. The result is, as complained, that they can no longer be bought in the open market and that certain interests in Canada have therefore a monopoly in the handling of these preparations. It is claimed that about seven hundred different articles come within this category. I know that the argument is advanced that it is necessary to have the certificate of origin in order to protect our own country against importations from other countries via France. On the other hand it might be supposed that the French government would require these certificates of origin in order that France might have all the benefits of the treaty to which she is entitled. But in actual practice the price of these pharmaceutical preparations has been increased by reason of the situation that prevails.

I listened with interest to the explanation which the minister gave yesterday to the hon. member for Bonaventure with respect to the price of wines and liquors, in which he indicated that the depreciation of the Canadian currency was responsible in large measure for the increase in price. It is quite possible that this may be one factor in this particular problem, but it would be interesting to know whether the fact that under the operation of the treaty as it now exists the particular firms interested have a monopoly in the handling of these preparations is not also a factor in the increased price, because it seems to be generally admitted that the price of these preparations has been increased.

The statement is made in a letter which I have here that under the French treaty these same interests now handling these preparations made an application to the former government to have a clause similar to article 9 of the treaty inserted, but it was refused at that time. If any light can be thrown on the subject we shall be pleased to have it, because it does seem that the consumers of these preparations are not getting the benefit which we should

expect they would be entitled to under a lower rate of duty as provided for in the treaty; and if the effect has been, as it would seem to be, to restrict the trade to a few individuals instead of throwing it open to the general public who might wish to buy goods in the open market in France, then it would appear that the treaty is not working out as we should like.

Another instance has come to my attention, and though it may not have so direct a bearing on the French treaty, nevertheless it is connected with our trade with France. The complaint is made that importations of beeswax are coming from England under the preferential rates and that a large part of these importations comes from France and the French colonies. According to certain statistics received by the British trade commissioner in Montreal in April, 1934, it appears that Great Britain receives two-thirds of its imports from France and French colonies. The man who makes the complaint says that he is now no longer able to buy beeswax direct from France because of the higher rate of duty. I find, on looking over the treaty, that this article is not mentioned. At any rate, this man complains that he can no longer obtain beeswax direct from France and that Great Britain is being given an unfair advantage under the agreement with her, since a good deal of what she ships to us is imported from other countries. Personally I am not very much exercised as a rule over the fact that we are getting quantities of goods at a lower rate of duty, but if there is no reduction in the price and our revenue is suffering at the same time, this may be a matter to be looked into. Perhaps the minister has some explanation to give in regard to some of the statements I have made.

Mr. CAHAN: The hon. gentleman gave me no notice of his inquiry with regard to beeswax. My memory is not sufficiently accurate to say whether beeswax was one of the products from France brought in under the preferential duty. If I remember rightly it is not included, and if beeswax is not included in the Canada-France treaty I do not quite see how the government of this country can make arrangements for the merchant, whom my hon. friend is representing to-night, to purchase in France what the French merchants are not willing to sell to him. Possibly they send their large supply to Great Britain, and it is distributed from there throughout the other parts of the world.

Mr. BROWN: The complaint is with regard to the higher duty coming from France.

Mr. CAHAN: If a man buys directly in France and brings the article in here from that country, then it comes under the terms of the French treaty, and if that beeswax is not on the intermediate tariff or the intermediate tariff less a discount, he cannot bring it in under a lower rate of duty from France. He therefore finds it to his advantage undoubtedly to buy in the English market and to bring it in from there. As to whether all the beeswax bought in England is produced in England, I cannot give my hon. friend definite information. If it is a matter of sufficient importance into which the Department of Trade and Commerce might inquire as to whether any prejudice is thereby effected to the Canadian importer of beeswax, I cannot say definitely.

On the other question as to article 9, it is obvious that in any trade treaty between Canada and France in which preferential rates are given in Canada on the one hand to French products and in France on the other hand to Canadian products, there must be some way devised by which when goods are imported into this country it may be ascertained that the products are really French, and that products going from Canada to France are Canadian. Therefore, as usual in such treaties, provision is made with regard to giving certificates of origin. In this connection article 9 states:

> Such certificate shall be issued or delivered by the competent authority in the country of origin and shall be visaed by the consular or other authority in the country of destination.

We have not in this country any governmental authority which is authorized to give certificates with regard to products exported to France, and therefore the French have agreed to take certificates from those who produce these products in Canada, provided that the certificate so given by the producer in this country is visaed by the consular officer of France in Canada. Therefore if there is a sale of lobsters or salmon from British Columbia to a French importer, those who conduct the trade in Vancouver for instance, give certificates, which are then verified by affidavit or statutory declaration usually, and those together with the export documents are visaed by a French consular officer. On the production of those certificates and the French visa at the French port of importation, the products are passed by the French officials. On the other hand goods imported into Canada from France are accompanied by a certificate of origin. This

certificate is given in France under the authority of the French government, an authority which has been delegated to the chambre de commerce which is extremely desirous of ascertaining that the goods so exported are really French products. In connection with this article 9, a special clause is inserted:

Provided, however, that the presentation of a certificate of origin shall be obligatory in the case of importation of pharmaceutical specialties, toilet articles and articles of perfumery.

France depends to a very considerable extent upon her exports of these specialties. Her pharmaceutical specialties are produced under government supervision and the perfumery production of France is very large and is exported to almost all foreign countries. I know, in visiting the ports of South America or Central America or Mexico, that one will find such French articles are on sale in those countries to the extent of constituting almost a monopoly. The French government therefore insisted upon the inclusion of this proviso in article 9, upon the ground that they wished to prevent misrepresentation in regard to pharmaceutical specialties, toilet articles and articles of perfumery which did not come up to their standard, and which when they went abroad ruined the reputation of the French production in those articles, which reputation it had taken years and very considerable expense to establish in the consuming countries of the world. Therefore, to prevent what I might call bootlegging in connection with those articles, to prevent false representations being made in foreign markets with regard to them, the French government insisted that there should be certificates of origin produced from the French authority as to the French origin of those articles in order that there might be no misrepresentation in the consuming country. That proviso I can assure the hon. gentleman was introduced at the request of the French government. In respect of importations into Canada from France of pharmaceutical specialties, toilet articles and articles of perfumery, the French government insisted upon a certificate being given to the French manufacturers or producers that those articles which are exported to Canada under the preferential rates are manufactured or produced in France. Perhaps those who have made representations to the hon. gentleman are more interested in the illicit trade which exists in France and every other country in pharmaceutical specialties, articles of perfumery and so forth rather than in the purchase of the standard articles concerning which the French government has exercised such great care. However the decision of the customs branch of the Department of National Revenue has been that perfumeries, whether produced in Italy or Switzerland or Belgium or some other country, if they have been bootlegged into France, cannot come into Canada as French products unless a certificate of origin is given as provided in article 9. That is all the explanation I can give to the hon. gentleman.

Mr. BROWN: I do not just follow the minister's logic. If the preservation of the purity of these articles was as important to the French government as he indicates, they would see that no certificates of origin were given except to those who exported the standard article. There would be no necessity for putting it in the treaty; we would have expected them to attend to it on their own account. The fact that special emphasis has been laid upon it in the treaty raises the suspicion that it was inserted at the request not of the French government but of the Canadian government to protect certain monopolistic industries.

Mr. CAHAN: I can only say that was the reason given, that they wished to preserve not only the purity of their products coming within these special classes but also to preserve the reputation of their products in foreign countries, because throughout the world France has a reputation for those articles. Whether the French government could have found other means of preventing the illicit sale of pharmaceutical articles which are not manufactured under government supervision I cannot say, because I have nothing to do with the administration of French affairs. But one thing is sure, that the means which they did take of insisting on the insertion of this proviso in article 9 have apparently been very effective in preventing the export from France to Canada of low standard products of these three classes, of which the French government does not approve.

Mr. CHAPLIN: Would the minister tell us when this article 9 first appeared? Was that clause not in the old treaty? Article 9 is in the 1922 treaty. You will recall, Mr. Chairman, as you were in the house at the time this treaty with France was first introduced by the present opposition, that I took a very decided stand against the treaty from beginning to end. This treaty is not improved a great deal. I will admit that there are some improvements, but not many. The old treaty was cluttered up with lists

of two hundred articles specially mentioned as articles that we could ship to France but we never have made one of them. I object to some of the clauses in this treaty as much as I ever did. It has not been changed; the old treaty remains the same; these are additions to it, and I am not going to sit here and allow it to pass without making a protest. The minimum clause still remains, and that works a hardship on us. We made that treaty in good faith, and when we made it the minimum clause was there and our wheat went to France subject to a duty of ten cents a bushel. Under the treaty they had the right to raise that minimum tariff to anything they saw fit, and before long it was put up to a dollar, which was prohibitive. I say that a treaty made on that basis is wrong.

There is another feature. The goods that we take under this new protocol from France consist of what? Take a glance at them. They start with Rocquefort cheese and Camembert cheese. The next item is pepper, to which I have no objection because I think it is needed for certain purposes. Then we have canned mushrooms, candied chestnuts, liqueurs, cognac brandy and Armagnac brandy. Fine. Now let us take a look at the list of stuff that we can take from France. Mind you, the duty on these articles is reduced very materially. Let us see what they are and whether the constituents of the hon. member for Lisgar are going to be much affected by them. Lace and embroideries, wholly of cotton; fibres of raffia or of sisal; lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton; women's dress gloves of kid, elbow length. For the life of me I cannot understand how it is that on luxuries on which we should collect the duty is reduced. Of course the hon. member for Lisgar is glad to see a reduction of duty, provided the reduction gets to his people. But imagine his people buying that class of goods! They work so hard they are not using any embroideries just now. My contention is that articles of this kind should pay duty and pay it through the nose; people using articles of this kind should pay for them. In my judgment the minimum tariff is an improper basis on which to make any treaty with any country. We can do without their trade if we cannot trade on better terms than that. If we wanted to change the tariff we could not do it unless we got their permission, but they could change it to our disadvantage. The only way that we could alter anything was by abrogating the treaty, which we were forced to do. Just think of that.

There are some other things I object to in this treaty as affecting my constituents. I would ask the minister how it comes that such a great reduction is made on cheap wines. My county is interested in wine manufacture. There is not a farmer in my district who has not a vineyard; in that district thirty thousand tons of grapes are grown in a year, and half of them are pressed into wine. I know one plant that pressed eight thousand tons of grapes. My people in three counties are dependent upon that; it is the best crop they have. I should like to know why a reduction of fifty per cent is made in the duty on French wines. Are we encouraging the growing of grapes in France? Is that the proposition? Not for me. I am encouraging the growing of grapes at home; that is what I am interested in, and that is why I am speaking on the subject.

Mr. BROWN: I had no intention at this point of discussing rates of duty on articles coming from France; I expected we should come to that later. I am simply making the point that wherever these reductions are made they should at least go to the people, and not lead to the establishment of what seems to be a combine. Certain vested interests, certain monopolists, seem to have secured the privilege of dealing in these pharmaceutical preparations. As far as the general principle of a tax on luxuries is concerned I am in perfect agreement with the hon. member for Lincoln. I would go perhaps much further than he would in putting taxes on liquor.

Mr. MACKENZIE KING: Some pointed questions have been directed to the Secretary of State by the hon. member for Lincoln without reply.

Mr. CAHAN: I was waiting until all the questions had been asked; I thought there was perhaps some altercation between the hon. member for Lincoln and the hon. member for Lisgar. Reductions have been made on the duties on French wines, I have no doubt in order to create an approach to an equilibrium between Canada's exports to France and France's exports to Canada. With regard to sparkling wines, in 1930 the exports of champagne to Canada in bottles containing more than a quart were valued at $418,871. In 1934 that dropped to $79,519. The total imports of sparkling wines from France dropped from $585,930 in 1930 to $111,159 in 1934.

Mr. CHAPLIN: Does not the minister think the depression might have had something to do with that?

Mr. CAHAN: No doubt the depression had something to do with it, and the depreciation in Canadian currency as compared with the gold franc undoubtedly had something to do with it also. Nevertheless it was a fact, and to a very large extent Canada depends upon the French market for the export of its wheat. To preserve that market for wheat the government, through the Prime Minister, negotiated this protocol with France whereby our export of wheat to France is maintained under conditions fairly satisfactory considering the fact that on the average France produces nearly as much wheat as all Canada. But in return we have made a reduction in the duty on sparkling wines imported into Canada. The hon. gentleman was referring to the old treaty, in force prior to 1932, which contained a large number of articles which were never imported into this country.

Mr. CHAPLIN: I understand that perfectly, but I was comparing the two treaties.

Mr. CAHAN: I thought the committee might have misunderstood my hon. friend, because those articles were eliminated in the treaty of 1932. There is no article contained in the 1932 treaty to which we give any preference to France that was not included at the express request of someone in Canada who had an interest in procuring imports of that product from France or, on the other hand, who was interested in producing in Canada and exporting to France an article which was placed by that treaty on a better preferential basis in the French market. I cannot weigh the balance as between the producer of grapes in the Niagara peninsula and the producer of wheat in the prairie provinces. That is not for me to adjudicate; that issue is not mine to decide.

Mr. CHAPLIN: We are still working on a minimum tariff on wheat, are we not?

Mr. CAHAN: It is the only tariff on which we can work.

Mr. CHAPLIN: They can increase their duty on wheat again within six months, if they wish, without abrogating this treaty.

Mr. CAHAN: No, there is a clause in this treaty which provides that if they limit or restrict the special rights we have for the exportation and sale of wheat and flour, we have the right at once to abrogate the privileges granted to certain French products including wines. We must expect to give concessions if we are going to export our wheat. In round figures our exports of wheat to France have been as follows:

	Bushels
1930	6,698,000
1931	18,807,000
1932	17,184,000
1933	11,261,000

Then it was reduced, because after the old treaty had been in operation for one year they imposed greater restrictions upon the importation of wheat from Canada which the Prime Minister sought to overcome in negotiating this protocol. Our export of wheat to France in 1934 dropped to 7,899,000 bushels and it was proceeding to drop still further. Therefore, in order to preserve what we have in the way of a wheat market in France and to increase that market to the greatest extent possible, certain concessions have been made to France in this treaty. That is all I can say in reply to the hon. gentleman.

Mr. MACKENZIE KING: Is my hon. friend from Lincoln quite satisfied now?

Mr. CHAPLIN: With the explanation?

Mr. MACKENZIE KING: Yes.

Mr. CHAPLIN: Not at all.

Mr. BROWN: I was just wondering if the hon. member for Lincoln remembered the discussion about bronze powder when the former treaty was under consideration.

Mr. CHAPLIN: Yes, and I also recall that a gentleman came to this house and said that bronze powder was being exported from this country to some other country. Every year I have carefully looked through the records but I have found no trace of any such exports. So what was said about bronze powder does not count any more with me to-day than it did then. I happen to know something about it; I use it, and I never bought bronze powder made in Canada from anyone in Canada in my life.

Mr. MACKENZIE KING: I noticed that when speaking on this bill the Secretary of State mentioned that negotiations had been delayed for some considerable time because of some of the clauses in the Canada-United Kingdom agreement. Can my hon. friend tell me how long negotiations were delayed on that account?

Mr. CAHAN: I really cannot say. The matter was taken up, I think, soon after the treaty of May, 1933, was confirmed by an act of this parliament. Some negotiations

ensued, first with regard to wines with Australia and South Africa and I think also with Great Britain in regard to brandies. I suppose those negotiations were conducted by the Department of External Affairs and I am sure that weeks and perhaps some months may have elapsed while correspondence was taking place. I remember that the commercial agent of Australia in Canada took some part, and then I think reference had to be made to the Australian government again. As to the exact date when consent was received from Australia and South Africa I cannot give accurate information, except that as soon as that consent was given the revision of the French trade agreement was taken up. This revision was discussed with Mr. Arsène Henry just before he left Canada, and I think he took with him to France some definite suggestions for the consideration of the French government. Mr. Arsène Henry was here during the Jacques Cartier centenary celebration, and it was just after that the Prime Minister left for Geneva. The Under Secretary of State, and I believe one or two of the officials of the department, accompanied the Prime Minister, and there the protocol which was subsequently embodied in the agreement now before the house was drawn up.

Mr. MACKENZIE KING: Is there any trade agreement other than the present one which, either in the form of a treaty, an agreement or a protocol, has been negotiated during the past year?

Mr. CAHAN: The right hon. gentleman will have to put that question to the acting Prime Minister, because I am not the official negotiator of treaties for the government. Perhaps out of turn I had to do simply with the negotiation of the Canada-France agreements. Perhaps no other member of the government could be so easily spared from his duties in Ottawa as I could be. At any rate it took three months with the help of the French experts for me to go through all the items found in the agreement of 1932, I did my best. Then later, in view of this experience I was informed as to the attitude of the French government respecting wine and wheat, the depreciation of Canadian currency, and the direct surtax levied on Canadian imports and I was authorized by the Prime Minister to open up conversations with Mr. Henry before he left Canada. I did that. Thereafter the negotiations were carried out and concluded in Paris by the Prime Minister of External Affairs, and his official assistants.

Mr. MACKENZIE KING: I believe the minister, despite his modesty, is entitled to most of whatever credit there may be coming to the government for the negotiation of this protocol. Those of us who are familiar with negotiations of the kind and know something of his services will realize that the minister did work very hard in the early stages of the negotiations in connection with the agreement, and I believe any credit coming to the government should go chiefly to him.

Listening to the minister, I have been most interested in learning of the difficulties which were encountered because of the United Kingdom-Canada agreements. I believe those difficulties bear out what hon. members on this side have been saying. Those Imperial conference agreements as drafted have stood in the way of the negotiations of agreements with other countries. It is quite clear that Australia has had to be consulted, Great Britain has had to be consulted and other parts of the empire have had to be consulted before the government could negotiate any trade agreement, even one as small as the one now under consideration. Coupling with that the fact that, within the past year, no other trade agreements have been negotiated, it would clearly indicate that the provisions of the United Kingdom-Canada agreements are presenting real difficulties. It is not long since we heard some talk about possible reciprocity in trade between Canada and the United States, but it now would look as though those negotiations too have fallen through. If they have, I have not the slightest doubt the greater part of the difficulty has been that of getting over the handicaps which the United Kingdom-Canada agreements have placed in the way of negotiations between this country and the United States. From the discussion we have had on this particular measure at least that much is clear.

One other point is apparent—in fact, quite as apparent this evening as it was from what we witnessed this afternoon—namely that as between themselves hon. gentlemen opposite are not much happier over their trade agreements than they are over their social legislation. It looks as though the function of the opposition, so far as opposing is concerned, or at least so far as discovering limitations is concerned, has to all intents and purposes been usurped by a large section of hon. gentlemen opposite.

Mr. CHAPLIN: May I say to the right hon. gentleman that the old French treaty was more of a stumbling block in the way of the negotiation of any other treaty than

anything which has ever been known in this country. Under the treaty which was made with France, seven or eight or nine other countries were given all the privileges contained in the French treaty. I refer to the most favoured nation treatment. We could not make any decent treaty outside until that treaty was abrogated.

Mr. MACKENZIE KING: I was hoping I might bring my hon. friends opposite together. It would seem as though I had succeeded.

Mr. CAHAN: I do not think the right hon. gentleman has given due credit to the persuasive powers of the Prime Minister. Certainly in company with Doctor Skelton he did take up these negotiations in Paris, and was successful in alleviating or remedying certain occasions for irritation which had arisen between the two countries. It was of immense advantage to Canadian trade that this surtax should be removed. It was of very great value to Canadian trade that the French exchange depreciation tax against us, amounting to about eleven per cent, should be removed. Those were removed.

With regard to differences of opinion which prevail as to the views held by hon. members on this side of the house, I trust I am not lacking in generosity or in consideration when I say that if the leader of the opposition will carefully listen to what his supporters and colleagues are saying with respect to his own program and his enunciation of his views pronounced during the present session I am sure he will find more surprising differences of opinion prevailing on his side of the house than ever prevailed on this side.

Mr. DUPUIS: I object.

Mr. CAHAN: If, for instance, the views of the hon. member for Vancouver Centre, which were pronounced with such a marked degree of emphasis a few evenings ago, and in which he stated that he was in favour of the issue of $425,000,000—was it not?—or $450,000,000 of paper currency—

Mr. MACKENZIE (Vancouver): Accurate as usual—wrong in both cases.

Mr. CAHAN: What was the amount?

Mr. MACKENZIE (Vancouver): Look up Hansard and find out.

Mr. CAHAN: It was away up in the hundreds of millions anyway. If those are the views of the right hon. leader of the opposition I may tell him that on his own side of the house and among his most ardent supporters there are graver differences of opinion than I have ever heard expressed on this side between my colleagues in the government or between members supporting the government. In this life we must expect, when going through the stress and strain to which we have all been subjected, that differences of opinion will develop in the minds of men. Perhaps it is fortunate that they are not always in agreement, and that out of the variety of experience of those who compose this chamber there finally results that unanimity with regard to public policy which is necessary for the advancement of the country, whether it be the unanimous view of the opposition or the unanimous view of the government. It is only through discussion that we find ways of compromising our views and reaching that unanimity of opinion which we may present and effectively carry into operation. I am not astonished when I see differences of opinion. The right hon. gentleman this afternoon made some rather sinister observations with regard to the views I had expressed.

Mr. MACKENZIE KING: On the contrary, if the minister will look at Hansard he will find that they were kindly remarks, so intended and so expressed.

Mr. CAHAN: Nevertheless when put in opposition to views expressed by another hon. gentleman the criticism was evidently intended to have a similar effect.

Mr. MACKENZIE KING: It was quite the opposite. I classed my hon. friend with the hon. member for Quebec East and said that both of them had made valuable contributions. I expressed admiration for what my hon. friend had attempted.

Mr. CAHAN: I have no right to enter into a discussion but if the hon. gentleman will read the report of what I said this afternoon he will see that there is no great divergence of view as between myself and the other members of the government.

Mr. MACKENZIE KING: I am afraid that after this I shall have to pitch into my hon. friend instead of seeking to uphold him.

Mr. CAHAN: If my hon. friend will reflect I think he will realize that there is very little difference between the views expressed by his colleague, the hon. member for Quebec East, and himself and those which have been expressed on this side of the house. The only difference I can ascertain is the opinion that all legislation should be delayed until parliament is unanimous in the belief that it can be carried into effect by competent legislation. Legislation cannot be held up in that

way. I am digressing from the point but I assure the hon. gentleman that he will find just as great a divergence of opinion on his side as is said to prevail on this side.

Mr. BEAUBIEN: I should like to know if preference has been given to the wines of France and Australia because of representations made to the government by the wine drinkers of Ontario that the wines of this province are inferior to those of France and Australia?

Mr. CAHAN: I have never heard any expression of opinion with regard to the inferiority of Ontario wines.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF PENSIONS

The house in committee of supply, Mr. Morand in the chair.

European war—

Naval, militia and air forces after the war, $42,000,000.

Mr. MACKENZIE (Vancouver): I notice the amount is the same as last year. How much of last year's vote was expended?

Hon. D. M. SUTHERLAND (Minister of Pensions and National Health): The expenditure in 1933-34 was $41,839,830.90, and to December 1, 1934, $31,487,860.24.

Mr. MACKENZIE (Vancouver): When will the peak of expenditures be reached?

Mr. SUTHERLAND: It is expected that the peak has been reached under the existing legislation.

Mr. MACKENZIE (Vancouver): I understand that approximately $100,000 was authorized, I believe by order in council if not by legislation, as compensation for the members of the pension tribunal. If the minister has the information before him I should like to know the amounts paid to the various individuals.

Mr. SUTHERLAND: I have not that information before me. The amounts have been decided with the exception of the amount to be paid to Doctor Morrison. This matter is in abeyance for the time being as he has another situation and some adjustment will be necessary.

Mr. MACKENZIE (Vancouver): Was the basis of compensation the same as that in connection with the members of the old federal appeal board?

Mr. SUTHERLAND: As far as I know it was. The members of the pension tribunal got about $10,000 each.

Mr. MACKENZIE (Vancouver): In connection with the so-called disputed cases I understand that as a result of representations made a year ago the Skitch case has been finally settled. I am informed, although not officially, that the Ouellette case has been settled during the last few weeks. Has any disposition been made of the four remaining cases?

Mr. SUTHERLAND: There were five cases in the series mentioned by the hon. gentleman. The Skitch case has been settled. The widow of Mr. Skitch has remarried. The Canadian patriotic fund had made certain advances to her and they were repaid. The widow received $1,256.92 as adjustment of pension up to the time of her remarriage. In the case of Arthur Smith the judgment of the federal appeal board was that the applicant was suffering from valvular disease of the heart, pre-enlistment, aggravated by service in France. A pension award has been made in connection with this decision and an arrangement has been arrived at for Mr. Smith's examination by a specialist and for assessment of the amount of pension to be paid.

Mr. MACKENZIE (Vancouver): When was that made?

Mr. SUTHERLAND: That has been made very recently. With respect to Andrews, the decision of the pension appeal board was that he was suffering from a hip condition, pre-enlistment, and arrangements have been made for his examination in order that the disability may be assessed. As regards Ouellette, this has resulted in Mr. Ouellette's receiving an award of $4,494.56, half of which was paid to him last month, and the balance will be paid shortly, subject to any adjustment for relief which has been paid. With regard to Tom Kane, the commission have implemented the judgment of the board by authorizing the payment of pension from the date it was discontinued to date of the soldier's death in November 1929, less the amount of gratuity paid the widow. The adjustment is being paid to the late Mr. Kane's widow.

Mr. MACKENZIE (Vancouver): That is a very satisfactory statement. There is one other case in the same category—

Mr. SUTHERLAND: That is the Fox case.

Mr. MACKENZIE (Vancouver): Yes.

Mr. SUTHERLAND: No judgment has been given by the exchequer court. The action in the Ontario courts was apparently withdrawn by Mr. Fox's solicitor at Mr. Fox's request. The solicitor is in touch with the department; in fact, this afternoon he was in asking for further consideration to be given the matter, which is being done.

Mr. MACKENZIE (Vancouver): I am glad indeed to hear that. If the minister gets the same considerate treatment with respect to Fox as he has obtained in the others, it will have been a very satisfactory disposition of these matters.

Mr. ROSS: I wish to make a few remarks in general in regard to pension matters. In the first place I commend the work of the acting chairman of the present pension commission. For the first time, I think, the returned men feel that they have a sympathetic hearer on the board, and when I use the word sympathetic I do not mean that a pension will be granted in every instance but I do mean that since the present chairman came to the commission we have had patient and fair dealing in all these cases, whether a pension was granted or refused.

In discussing this matter I suggest that there are three presumptions in regard to pension cases which we must take into consideration. The first presumption is that there are a small minority in this country and even in this house who believe that the returned man has received too much, that he has been too well treated. The second presumption is that this country and this parliament have always been anxious to have generous treatment given the returned man. But there is a third presumption that, in spite of this general wish on the part of the people and the parliament of Canada, there has been a certain antagonism from the beginning of the pension organization up to the present time. I wish to discuss what I regard as the obstacles that were encountered from 1921 to 1923 and 1924. Those of us who were interested then in pension matters will remember that we had to deal with what I might call threats made by certain officials of the pension board. Those returned men who were getting a small pension received a threat during those years that unless they commuted their pension they would have it reduced or eliminated altogether by the medical examiners and the pension representatives of that day. There are certain men who commuted their pension and who do not yet know that they can return to the pension status under certain conditions. A second obstacle was the poor assessment that was made, and even to this day there is no systematic way in which the pension is estimated and disability allowed. If the procedure of the insurance companies were followed instead of having these nineteen different percentages, then each case would be fairly decided. In those first years these two factors caused a good deal of disagreement and discontent and the result was that an appeal court was formed. That court functioned for a time, but as soon as it began to give decisions favourable to the returned men the pension board immediately sat upon it and arranged a procedure and adopted methods to be followed, and in consequence there was antagonism between the two boards.

Those of us who sat on the different committees in those years will remember that owing to the difference of opinion, that antagonism which existed between these two bodies, the returned men did not receive just and fair treatment. A strong demand was then made for changes and the Ralston commission was appointed. This brought to light a great many injustices and the result was the legislation of 1928. The proposals were brought to us in the committee by the legion and other interested societies and they were adopted. The hon. member for Red Deer and I were the only two opponents of that legislation. We pointed out that it was impracticable and would lead to greater confusion. We asked that the pension board should be increased and that travelling quorums should be appointed, and that the hearing of these cases should be in public. They proposed the appointment of tribunals; they proposed the appointment of pension advocates; they proposed an appeal board. The result was that the legislation broke down absolutely and the sufferers were the returned men.

While this parliament and the people of Canada desire to have generous treatment given the returned men, there have been from the beginning certain obstacles that have prevented the men from receiving that treatment which it was intended they should get, and in consequence the 1928 board has been done away with. We proposed that the appeal court should be resorted to by the returned men, but what happened? Instead of

being used by the returned men it was usurped by the pension board, and every case decided favourably to the returned men was at once appealed, even before the decision was handed down. Some twenty-four or twenty-five thousand cases have been passed along, kicked around from one body to the other. Death has reduced the number to some extent, and men have gone down to their graves without that generous treatment which this country intended they should receive, and this because of procrastination, because of the impossibility of these boards functioning properly, so that a great deal of money has been misspent. If that money, instead of being wasted as it was in the years that have gone, had been given to the applicants this country would have been dollars ahead and these men would not have suffered as they have done.

Then we come to the 1931 legislation, and again an obstacle was put in the way. What has been the result of all this? Instead of a returned man receiving favourable, generous treatment, he has not been treated fairly. Clever young counsel were employed by the pension board against inexperienced pension advocates, and in nearly every one of the cases the returned man lost out. The only benefit that I can see from this legislation is that parliament has passed measures by which members of organizations have received remunerative positions while the returned men have practically lost out.

I come now to some other factors which have also worked against the returned men. They were up against it from 1921 to 1923; they were up against it again in the legislation of 1928 and 1931; but when we come to 1933—and I do not want anyone to think I am talking in a partisan way because these things have happened under both Liberal and Conservative governments—the result was murderous. In that year the men were cut off wholesale, their pensions being reduced or limited. How was this done? I want to bring these matters before the present chairman because I believe we have a sympathetic chairman of the commission and a sympathetic minister. In 1933, files away back in the years gone by were searched by somebody, and if certain statements could be found there, the man's pension was reduced or eliminated. I do not want to take up the time of the committee in discussing a great number of cases, but I shall give one that is significant. A man was pensioned for epilepsy. In 1933 a search of his file was made and it was found away back in the file that he had made a statement that he had a headache when he was a boy eleven years old. It was held that his epilepsy commenced then. The man had never had a seizure. He was examined in Canada; he took his training in this country and reached England without any seizure whatever. Yet on that statement his pension was cut by forty per cent. I have searched his file. The man disputes this statement, but even if it is true that he did make the statement, it is contrary to the act that his pension should be cut down. I want to draw the attention of the committee, the general public and the returned men to section 11 which states:

> No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces.

I want now to discuss an even more marked case than that. In 1933 a man had his pension reduced because he was said to have had pneumonia prior to his enlistment. He had served two or three years in France. According to that section his pension could not be reduced, nevertheless it was reduced. I do not doubt glaring mistakes have been made, but these should not be charged up against just cases which come within the act.

The question of marriage cases has been dealt with and a decision will be given. Then we come to the question of the immorality cases. I wonder whether the committee and the general public remember the promise given that men would be generously treated, yet a case was brought before the board where a woman had her pension cut off in 1920 and it remained cut off for fourteen years simply because some jealous or other person made a statement against her character. That sort of thing has happened in five or six cases in my constituency and vicinity, although it is contrary to the provision of the act which reads:

> The pension of any female pensioner who is found to be a common prostitute or who openly lives with any man in the relationship of man and wife without being married to him shall be suspended, discontinued or cancelled.

Yet not one of those cases in which the pension has been cut off on the ground of immorality comes within the terms of section 39. Someone goes into the woman pensioner's house and finds a man's coat there, and her pension is cut off. There were three children, but of course their pension was continued. In this case a pension was cut off for fourteen years from a woman whose husband was killed in France and who is left with three children. I do not know how the decision was reached, because it was contrary to the

act. It must be proved, first, that the woman is a common prostitute, or second, that she is living as the wife of a man to whom she has not been married, and in not one of those cases were those conditions fulfilled. The returned men are awaiting the decision in the marriage case. I think it was a great interference to disturb a marriage that had been in existence for fifteen or sixteen years, putting a name upon the returned man's wife because she could not produce a certificate of her first husband's death which had occurred twenty years before.

The compassionate benefit of doubt clause has been practically ignored. I will agree that the department have treated cases in accordance with that clause, but the pension part of it has been absolutely ignored. I would like to draw the attention of the committee and of the returned men to four factors in the great war in which compassion and the benefit of the doubt should be given. The men who served one year in the war at the front saw a certain amount of hardship, but only those who served four years at the front can really describe what the men went through. There are four conditions I want to bring before the chairman and before the new minister. The first is the conditions on Salisbury plain. Anyone who lived through those conditions knows that eighty per cent, yes ninety per cent of the men came out of there with bronchitis, and they had not recovered from that when they were suddenly thrust into the gas attack in April. The pension experts tell us, following the United States decision, that any person who suffered from gas would not have tuberculosis or would not have a tendency to tuberculosis. In fact the United States decision was that it helped to cure a case tending to tuberculosis. But unfortunately their statistics are based upon experiences which followed the use of almost, one might say, perfect gas masks through which the men suffered very little and where they recovered. The Canadian statistics cannot be made up, because our men who went through that first gas attack endured it when there was no protection and are in ninety per cent of the cases lying in Flanders field, and those who survived and came home I contend are liable to any pulmonary trouble that you can name. After gas masks have been provided and protection is perfected, the statistics are very different as with figures for those who endured a gas attack without any protection or help.

Then I want to take the third case. Those who were in the Somme went through conditions that no people in this country know much about. The men who served the first year and came home did not have the experiences of men who served the second, third or fourth years. When men lay in mud in the Somme valley, as they did for eight days, came back and slept in the Albert mud fields and brick yards for a night or two, and then went back for their three days' rest only to return to the mud fields again, they went through an experience from which any disease might result. Then, fourth, was the Passchendaele field. When we of the Canadian corps went into Passchendaele there was a record there that the force that preceded us did not get fifty per cent of their wounded out of that ground. I have walked on those duck-boards, and the men who went in by daylight could see those bodies that were almost as sleepers under the duck-boards. Any men who went through a month of that and could come back and be the men they were before would be supermen. They are liable to any form of breakdown of their system.

Now in deciding those cases, and having regard to the benefit of the doubt, I can say without hesitation that no man who went through either the first year on Salisbury plain, or the first gas attack, or the Somme experience, and lastly through Passchendaele, could do so without some effect on his system. In these cases I think some consideration should be given to the experience instead of trying to cut pensions down. And in future consideration of cases there should be nothing of the kind which I quote now. Here is a returned man who has had an operation. He has adhesions. He has had them for a year or two. What do you think of this record put on his medical sheet? This is given by one of the surgeons. Just following an operation you may have adhesions, medical men in this room will agree, but when these adhesions keep on for a year or two years I do not think it deserves such a report as this on the man's sheet:

> Think this man with the greatest security can get out and do the hardest of labour without the slightest ill effect, and it will help the pain.

What chance has that man before any board, with that entered on his sheet, signed by the surgeon of the department? Statements supposed to have been made by a man preceding enlistment should be checked up with the greatest diligence. Here is a man who says:

> On my sheet is the fact that I have had pneumonia, that I had arthritis, but I never was sick in my life before my enlistment.

[Mr. Ross.]

If the statement is there it should be shown and proven, because I followed it in one case and I could not find anything to justify any such statement. It seems that these statements are passed down as one board follows another. They are simply copied from the previous record without ever going back of it. I think the pension board should study these things thoroughly. I will give you four or five cases. Here is one man noted as having had pneumonia in 1902, as having had rheumatic fever in 1911, and his pension is reduced forty per cent. The man says he never had them. Here is a case within my own knowledge. The man has tuberculosis to-day. He was run over in France by a gun limber loaded with live shells weighing one or two tons. He had served two years, and never had a sign of a cough or lung affection of any kind until he was run over by this gun limber. Then he is home with tuberculosis and they find that some time previous to his enlistment he had pneumonia. They reduce his pension in spite of the section that I read in which it is provided that any previous trouble should not be counted in the reduction of his disability. Here is another: they wrote to the man and said, "Before your case comes on we want a little bit more evidence." I have two or three letters which contain this phrase: "We want a little bit more evidence." What kind of evidence? The man's comrade is not believed; anyone connected with him is not believed. There is only one way he can get it, and that is from the record of the hospital in which he was treated in France or in England; yet, when that is searched for, it cannot be found. That is where the man could get his evidence. If the records of these hospitals were produced they would show the medical men who attended him, and the nurses; but the man has to suffer because the record is lost. See how it works against a good man. I have had this in hundreds of cases: A man who is at the front comes to us in the ambulance and says: "I don't want to go back." He has a temperature, and the regulations say that if he has a temperature for three days he must be evacuated. But this man says, "I don't want to go back." We put him in a rest station and try to treat him. He comes out recovered and goes back to the front; he comes back again and again, he goes to the front. The record is absolutely lost or destroyed, but every week a return is made from the ambulances of the men and their complaints. Yet they say: "Go and get a little further evidence."

Here is another case: they say, "Investigate carefully all records of the Calvin Company." But the Calvin Company is long out of business and most of those who were connected with it are dead. The captain of the boat on which the accident happened is dead. The man cannot possibly get the evidence, but the accident on the boat is the reason he cannot get his pension for another accident that happened in France.

I hope I have made this clear. I am saying it perhaps for the last time. I shall give a summary of these things, but first I want to read a letter. May I say I saw this thing through from the beginning to the end, having been among the first in and the last out of France, and I did think that my medical experience there would be worth something. I received a copy of this letter:

> It is with considerable diffidence that I write, but the situation is urgent and demands public support.

This is not written recently, but I want to show the house the situation.

> Such action before now has compelled parliament to act. Brigadier General Ross has questioned in the house decision given against the tubercular and disabled soldiers in many instances by the pension board.
>
> Parliament exhibits a curious apathy to the question.
>
> No one in Canada is better qualified to give an expert opinion on this question than Brigadier General Ross—

I shall not read any more of that or it might be said I read it for my own benefit. But here is the thing:

> During the war time Canada in a more or less hysterical manner stated the returned soldiers would be looked after and the service rendered would never be forgotten.

Has it been so? I say emphatically it has not so far as our sick are concerned. Listen to this:

> If a man on his enlistment was passed as fit by the medical officers then this country cannot morally refuse assistance if tuberculosis has developed within a reasonable period after his discharge from the service.

The writer of this was not then on the pension board, but he is a member of that board to-day and I have not seen any more generous treatment being given our returned men. Here is a case of which I have personal knowledge. In the battle of Loos we had about seven hundred gas cases. Due to the fact that our treatment had been prepared we evacuated from the front line only twenty-six of the seven hundred, and this man was one of the twenty-six. Hon. members will agree that this man would not be expected to improve as the years went by; I know that

to-day he is in a chronic condition, but here is his experience with the pension board. In 1923 he obtained a pension of fifteen per cent, which continued until 1926, when it was increased to twenty-five per cent. In 1927 it was increased again to forty per cent and in 1928 to fifty per cent, where it remained until 1933. To-day that man is an absolute wreck, but in 1933 his pension was reduced to thirty per cent. Can that be justified? Can any reason be given for such action? His pension was gradually increased to fifty per cent, but in 1933 it was reduced to thirty per cent though to-day he is thirty per cent worse than he has been at any time since coming home.

I think I have given enough illustrations, and I should like to make certain proposals in this regard. I think the time has come when these permanent medical officers should be exchanged. These officers have given opinions; very often a man has had a decision given against him. He comes up for a re-hearing against the same officer, and these officers are not big enough to change their opinions even though the condition may be progressing. So I think the time has come when these permanent officers should be moved. Let them be sent to some other stations; let the men from those other stations exchange with them. It is impossible to get these men to change their opinions no matter how bad the cases may be. Then again I think we have been just a little too ready to take these ex-service men from the eligible pension list and put them under the veterans' allowance. I think they deserve a little better treatment than that. I have mentioned four factors, and I think it will be agreed that any man who has been affected by one, two, three or all four is to-day in such a condition that age should not be counted. I would wipe out the age limit in regard to those returned men; I would make them total disability cases whether they were forty, fifty or sixty years of age. How can anything be determined by the age of the man? In 1923 I heard the then minister of pensions say, "We have reached the peak, and in about two years these pensions will begin to decrease." Why, we have not reached the peak yet; so long as there are any of these men left they are going to suffer from their experiences.

Let me say openly that I cannot understand why the chief medical adviser of the department is also a commissioner. Is it reasonable that a man who has given a decision should sit as a member of the board reviewing that decision? The thing is ridiculous; the chief medical adviser should not be a commissioner. Perhaps I should be a little more lenient, Mr. Chairman, but if you had spent four years with these men and had seen how they suffered—and you must remember that some of them did not know what suffering was until they returned home—you would feel as I do. I may not appeal to the house again for fair treatment of these men, but I hope my experience has been worth something to them. I have refused to take any job, because I believe it my duty, after I have seen them go through so much, to back them up in their demand for the fair and generous treatment they were promised.

Mr. ARTHURS: I have no desire to delay these estimates, Mr. Chairman, but to a certain extent I must endorse what the hon. member for Kingston City has said as to the unrest among the returned men and what they think of the treatment they have received in the past. I have been fortunate enough to have been on every pension committee appointed since the war, I think, and we have always done the best we could, but sometimes, as the hon. member has pointed out, the best does not seem to be any too good.

In the early days following the war pensions were very readily granted and the greatest trouble of hon. members of the house was that it was thrown up to them that George Jones and Dick Smith had pensions which they did not deserve. That was the main complaint in those days. As time passed and the memories of the war faded, however, the contrary became the case. For many years we had at the head of the pensions board a man who was almost universally disliked by the returned soldiers. He was a gentleman of whose personal integrity I have nothing to say; undoubtedly he was an honourable gentleman, but he was said to stand so upright that he was in danger of falling over and injuring the back of his neck. He does not occupy that position now.

Another complaint has been voiced by the hon. member for Kingston City, and it has been a prominent complaint on the part of returned men's organizations for some years. It is that our chief medical officer was not likely to change his opinion in favour of an applicant for pension. I feel as my hon. friend feels that the appointment of the chief medical officer as a member of the commission perhaps was not a very wise move. We all know that cases have arisen from time to time in which the decisions of the board have been entirely contrary to the purpose of the act. Section 11 of the Pension Act distinctly states that a man who went to France apparently physically fit and who saw

service in an active theatre of war should have no charge made against him with regard to his eligibility for pension. That is to say, any disease that he might have had before enlistment should not count against him unless—and I think the hon. member for Kingston City forgot this exception—it was a case of misrepresentation or deliberate fraud. I have known men who went overseas after passing not one but perhaps two or three examinations in Canada; they passed further examinations in England and did their duty in France, and yet because a man had measles when he was only two years old he is stated to be ineligible for pension, or if in fact he is getting a pension it is reduced. One instance in particular appealed to me. I have in mind a man whom I know well and who at present is totally blind. He saw service in France, and has been in hospitals in Canada. He applied for a pension. The statement was made that he responded to a Wassermann test—hon. members know what that means—and that his disability was a result of venereal disease. He has taken an affidavit that he never had any disease of that kind, nor did his people so far as he knows. I believe the man is honest. He was told that if he said he had the disease he would receive a pension for aggravation, but when he says he has not he cannot get the pension. I believe there are many cases similar to the one I have described which should have the sympathetic consideration of the commission. Perhaps in this house and throughout the country there is an element who think enough has been done for the returned soldier, but I am quite sure they form only a negligible portion of our population. I believe the people desire that every returned man who is eligible for pension shall have at least that compensation to which by law he is justly entitled.

Mr. SANDERSON: To a great extent I concur in the observations of the hon. members for Kingston City and Parry Sound. I was under the impression that before the last amendments to the Pension Act were made one of the great stumbling blocks in connection with giving justice to ex-service men was the fact that the onus was on him to prove that his disability was due to war service. It was impossible to present that proof. I would say, not in any spirit of criticism—and I want the minister thoroughly to understand that—that in the many cases with which I have been connected I have not known of one in which the ex-service man received the benefit of the doubt when consideration had been given to the question whether his disability had been due to war service. So long as that condition prevails justice cannot be given to ex-service men.

I believe a great deal of the difficulty now experienced by ex-service men applying for pensions is due to what happened in the days immediately following the war when the men were returning to Canada. Every soldier was tired of war and anxious to get back into civil life. That is where a great deal of the difficulty originated. Thousands and thousands of young Canadians returned from France and were discharged without any examination. To a great extent the fault was that of the soldier, because he wanted to get away from the army and back into civil life. Perhaps in many cases soldiers did not wish to admit there was anything physically wrong with them, and for that reason examinations did not amount to anything. In the years which followed, however, disabilities appeared in some of the soldiers who had been discharged. The statement was then made, "Well, when this man was discharged he was physically fit and his file did not show any disability." I believe to a great extent that is the difficulty with which we have to contend to-day. The hon. member for Kingston City made some observations regarding medical sheets and files. I know many applications have been turned down because the files did not show the applicant had been in a hospital or even that he had been wounded or gassed. I have always contended that those refusals were ridiculous, because files were lost overseas. There was a war on, and in many cases no records were kept where men had been gassed or wounded. After a lapse of five or ten years, these men having since come back to civil life, nothing can be found on their files. That is the difficulty, and because of it I submit that in every case the returned man should receive the benefit of the doubt. He does not receive that benefit to-day, and in this observation I am not criticizing the pension commission. Perhaps they are more or less confined within the four corners of the act, but there should be more flexibility in its application; the humanitarian view should be taken. Speaking broadly I believe the Dominion of Canada has treated her ex-service men as well as has any country which participated in the great war. That however is no reason why injustices and weaknesses in the act should not be remedied and the proper amendments made. I fully expected that amendments would be brought

down during the present session, and I regret the minister and the government have not seen fit to do so. I hope that at the next session of parliament, no matter what party is returned to power, amendments to the Pension Act may be made. I have no desire to delay the minister's estimates. I could mention four or five cases which have come under my observation within the last few months but I shall not take the time of the committee any more than to emphasize this point, that soldiers discharged at the end of the war showing no disability have found difficulty in proving their cases.

Since the depression, if we choose so to describe it, a condition which has been world-wide in its scope, when thousands of men have been out of work, ex-service men receiving or not receiving pensions who are unemployed and depending more or less on charity find their condition of disability aggravated. The suggestion to reduce the pension of an unemployed soldier is in my mind quite wrong. The hon. member for Kingston spoke about this matter. Undoubtedly the state of mind of a man who is unemployed, especially if he has a family dependent upon him, will aggravate a disability. Such cases should receive the sympathetic consideration of the pension board. This country spends considerable money for pensions. There are some people, not very many I am glad to say, who think that perhaps the ex-service men have received all the consideration they should receive. I agree with the hon. member for Kingston City who has reminded the committee that when the war was on those who enlisted to go overseas were promised definitely that if they were spared to come back they would be taken care of, if they were disabled they would be pensioned and if they were killed their families would be taken care of. I think it is the duty of this parliament to see that the promises which were made to the men who enlisted in the great war are carried out to the very letter.

Mr. WOODSWORTH: I assume that every hon. member receives a great number of complaints from returned men as to the manner in which the Pension Act is administered. I come from a constituency in which there is a large number of returned men but I must confess that I have not followed the administration of this act very closely. As far as the business of the house is concerned, my colleague the hon. member for Red Deer represents us in this corner in connection with pension matters. We have turned over to him a great many cases and have left it to him to work out the details of the amendments which might be brought before the house. I should like to associate myself with the hon. member for Kingston City in urging that the returned man be given the benefit of the doubt and granted not only fair but generous treatment.

Mr. HOWDEN: Anything I may say in regard to this matter will be said simply as a civilian doctor, I not having had any military experience. The state of affairs to which the hon. member for Kingston City has directed attention undoubtedly is a blot upon the social life of this country which probably will not be erased until the last overseas casualty has passed on. One of the things which has caused much unhappiness and dissatisfaction among the returned men is the fact that a great many men in rather good circumstances are receiving extensive pensions from the government which they probably do not need. Another phase of the matter is the fact that many men were invalids before they entered the army. It is true that these men were accepted by the examining boards, but they never did one day's service. I have met a number of such cases and undoubtedly they create dissatisfaction and unhappiness among the bona fide men, many of whom are wrecks to-day. I have in mind one old fellow whom I attended for many years prior to the war. This man has had bronchitis all the days of his life. He was accepted and went to Great Britain where he continued to have bronchitis. He came back to Canada and has been in the hospital on and off ever since. His overseas service has nothing whatever to do with his bronchitis. I have personal knowledge of other cases where men are receiving substantial pensions for overseas service when in fact they are just as healthy as I am. On the other hand, men who died in misery and agony, undoubtedly the victims of overseas service, had been unable to obtain a five cent piece by way of pension. It is not always easy to say whether or not a man's condition is the result of overseas service, but if a man has risked his life for his government and his fellow citizens, it seems to me that the least a government can do is to give him medical assistance and treatment as long as he lives, whether or not his illness may have been caused by overseas service.

The hon. member for Kingston City has referred to the staff of medical men. I think it would be a mighty good plan to do away with these men because they are such a hard-boiled bunch. Once it is decided that a man is not sick, in their eyes he can never be sick again. I think the best thing the

government could do would be to get rid of these permanent medical men and rely upon the ordinary medical practitioners to give the returned men the justice which they deserve. Any medical man who has any sensibility is disgusted with the way these things are handled. Many men appeal to us who are simply wrecks, and whether or not their condition is due to overseas service, it is the duty of this country to make some reparation for the disabilities they suffer as a result of the service which they have given to the Canadian people.

Mr. MACKENZIE (Vancouver): Have the marriage cases been discussed as yet?

Mr. SUTHERLAND: No.

Mr. MACKENZIE (Vancouver): Could the minister make a statement with reference to the situation now prevailing in connection with the marriage cases which were discussed in the committee on February 13 of last year? I should like to know the number disposed of and the number yet to be disposed of.

Mr. SUTHERLAND: Before answering that question let me say that I appreciate the discussion on this subject which has been led by the hon. member for Kingston city. I have no doubt that many hon. members do not know the magnificent record of the hon. member. He was in charge of the entire medical arrangements of the Canadian corps and was responsible for the evacuation of the wounded. Wherever returned men gather they recognize the work he did and the great sympathy he has for them at the present time. One point which he brought out impressed me, as I am sure it impressed any hon. member who has first hand information. The hon. member referred to the conditions which prevailed at Salisbury plain in 1914 and 1915, at Ypres at the time of the gas attack and at the Somme. I cannot speak personally of the conditions at Passchendaele, but I have heard that they were just as bad or perhaps worse. Any man who faced the conditions at Salisbury or the other places in my opinion would not be in the same condition of health as when he went in, even though he did not receive an actual wound. It is not the ones with actual wounds that give difficulty, because there is not much trouble with respect to a man who has an arm or a leg off; it is the cases referred to, men who have possibly got along fairly well but who suffer from the strain and stress of life. I am confident that this is so, and I think that more and more of these cases will come to the fore and will have to be dealt with as sympathetically as possible.

I noted what the hon. member for Kingston City said with regard to the loss of records. That undoubtedly is a point that comes up frequently in the search for the medical history of some of the men. He also said—and others have voiced the sentiment—that sympathy has been in evidence since Mr. Justice Taylor took over the chairmanship of the board. I express my acquiescence in that view. Since I have been in charge of the department I have had repeated instances of the personal interest and sympathy which Mr. Justice Taylor has in these cases. I have had a very wide experience with pensioners in my practice of medicine, and I have never yet seen a man with a pension who I thought should not have it. You will see in the papers and you will hear from time to time that so and so has a pension which he does not deserve any more than someone else, and yet in a number of these cases in which I have been the medical attendant I know that the men have had serious troubles, deepseated, underlying and not evident to anyone passing them on the street. They were in receipt of pensions, and so long as they were quiet they got along well and looked well. But they could not have stood hard work; they would have gone down hill and died. Sometimes people are rather thoughtless in their attitude to those receiving pensions. My personal observation has been as I have stated; I have never seen anyone getting a pension who I thought should not have it. I think that as a general rule things are going along much better under Mr. Justice Taylor.

I have made notes of the suggestions put forward by hon. members and they will certainly be given every consideration. With regard to the marriage cases I do not know that I can do better than read, although it is rather long, a statement given me by the chairman of the pensions commission with regard to them:

With reference to the number of cases which have been dealt with where the validity of the pensioner's marriage has been questioned, I beg to submit the following figures. These figures only include the cases which have actually reached the pay branch to date, and might be supplemented, perhaps, by fifteen or twenty other cases which have been dealt with, but have not actually reached the pay branch. In all 632 cases have arisen which might be classified as follows:—

(1) Granted: 160.

In these cases the commission have acknowledged the validity for pension purposes of the marriage in question, and the pensioner has been so advised.

This item would include a number of cases where the commission has obtained, or been supplied with, additional information which has cleared up the problem.

(2) Not Granted: 98.

These are cases in which either by the admission of the parties themselves, or by material already on the pensioner's file, or after a hearing before two commissioners, it has been decided that the marriage cannot be recognized as sufficient for pension purposes.

These include cases where pensioner has admitted that he never went through a marriage ceremony; cases where former spouses of one of the parties have been located, and ascertained to be living at the time of the marriage to the pensioner, without any action having been taken to dissolve the previous marriage; cases in which the time has been very short between the separation from the first spouse and the contracting of the second marriage, and in which it would be impossible for any presumption of death to arise; and an odd case in which the pensioner has asked us not to make further investigation. Other cases might be included in this number, but the ones I have mentioned are the principal ones.

(3) Investigating: 81.

These are cases in which we have asked the pensioner to submit further evidence; or to put in the form of a statutory declaration statements which may only have been made to us by letter, or in which we, ourselves, are trying to get the necessary information apart from the pensioner. I think every assistance is being afforded pensioners in this class of case; and the commission is even going to some expense in a number of cases, in order to assist the pensioner to get the necessary information. In addition, pensioner is being notified in each case that the district pensions advocate in his district will give him every assistance possible in the way of supplying any further information that may be required.

(4) Awaiting Opportunity to Appear before the Commission: 54.

Some of these are cases in which we think the marriage of the pensioner cannot be recognized for pension purposes, but before cancelling the additional pension for his wife, we have given him an opportunity of appearing before the commission. Unless the facts are apparent from the file itself, or from the admission of the pensioner or his wife, we are not actually cancelling any additional pensions without first giving the pensioner an opportunity of appearing before the commission. In most cases of this kind, the additional pension is being continued until after he has a hearing. In a few cases, where the upholding of the marriage seems to be next to impossible, we have, in the meantime, suspended the payment of additiona pension until the hearing.

Other cases which might be included in this class are those where we think, perhaps, the pensioner can best substantiate his marriage problem by attending, and giving evidence, before commissioners, instead of supplying affidavits. A number of hearings have been ordered in such cases, because the commission through it would give the pensioner a better chance of retaining his additional pension for his wife; and also in cases where we had to consider the question of recovery of payments already made, and we wanted to inquire into the good or bad faith of the pensioner in procuring payment of additional pension for a wife; or as to whether he was guilty of any fraud or deceit.

(5) No Decisions Rendered: 239.

This number includes approximately 115 or 125 divorce problems where the validity of the pensioners' marriage depends upon the validity of a divorce obtained in the United States. These cases will probably all be settled by two or three general decisions. In many cases the circumstances are identical, but I have not yet given them final consideration; in other words, they were left to the last. They will be considered as a class as soon as the other cases are reasonably disposed of.

The balance of the cases in which no decision has been rendered are cases which have not yet been reviewed and written up for my consideration. Mr. Wilson, departmental solicitor, is working continually on these cases, and it will not be long until they are all disposed of.

In nearly all of the cases where it has been found necessary to discontinue additional pension for wife, we have not cut off the additional pension for children, but continued to pay it under section 22 (4).

Generally speaking, the commission has adopted a principle that we will not recover moneys overpaid in connection with these marriage cases unless we decide that the overpayment was caused through fraud or deceit on the part of the pensioner. Fortunately, the number of cases where there has been fraud or deceit is not large.

New cases are arising from time to time which contain marriage problems, which the commissioners in the board room have thought it necessary to refer to me. Since the 1st of August, last, 250 cases, approximately, have been so referred, in addition to the number which were awaiting consideration upon my arrival. I think I might safely say that another six weeks or two months should see the marriage problem pretty well out of the way, except for cases that may be awaiting hearings before commissioners; and the cases which are arising from week to week.

Mr. MACKENZIE (Vancouver): Is this the last item in the minister's estimates?

Mr. SUTHERLAND: There is another one.

Mr. MACKENZIE (Vancouver): There are two or three hon. members who would like one item to stand.

Mr. SUTHERLAND: There will be a supplementary item for 1934-35 on which I suggest any discussion might take place.

Mr. SPEAKMAN: I would like to say one further word on this matter, because what I had in mind has been pretty fully expressed by other hon. members who have spoken, particularly by the hon. member for Kingston City.

In common with, I suppose, every other hon. member, and especially with those who like myself have been associated with this

work for a number of years, I have had brought to my attention a great many individual cases in which pensions have been refused or reduced and the applicants have felt themselves aggrieved. I shall not bring any of these cases before the committee at this time, for I believe no good purpose could be served by my doing so, but I must say that in a number of these cases I found myself utterly at a loss to understand the action which brought about this situation. It seems to me that ordinary common sense, let alone ordinary humanity, would have dictated a different and more generous policy.

As I conceive the matter, the great problem lies in this, that perhaps above all other laws the success of this one depends upon its administration. You cannot legislate to meet individual cases, and in almost every instance the plight of a particular applicant will depend almost wholly upon the discretion of the pension commission or those who serve under and act for it. That is inevitable, because it is a law which above all others deals with humanity and naturally suffering humanity, varying in kind, in degree, and every case must be dealt with on its merits. This is what makes it so peculiarly important that the administration should be carried on by those who not only are intelligent and fully conversant with the subject, but have a really sympathetic and understanding attitude. That becomes more and more imperative as the years go by, because more and more it is becoming impossible for any new applicant to bring forward definite and convincing evidence, and the common sense of the commission must be exercised in deciding whether, in view of all the circumstances, the overwhelming probability must be that the application is worthy of consideration. It seems to me that we are faced again with the fact, that the most deserving cases are always the most difficult to prove. The man who from the beginning has made application or has camped on the doorstep of the department every time he has had an ache, is the one who can be taken care of; but the man who above all others deserves consideration, the man who without making application has done his best to carry on under his own steam despite disability, until the crushing weight of that disability and of increasing years makes it impossible for him to do so, finds through his own meritorious action that there is a gap of evidence which makes the proof of continuity almost impossible. I believe in those cases above all others the administrative bodies, the commission and those serving it, should temper their justice with a good deal of discretional humanity.

There is just one other point I would like to make, and it is by way of support of a suggestion made by the hon. member for Kingston City, who knows whereof he speaks, namely that the medical officers at the various points should be changed around from time to time. In common with many others I have had cases come before me from time to time where men applied for a reboarding, and I must say that usually a reboarding has been granted. But when the reboarding takes place before the same medical examiners who made the former examination, human nature as it has been exemplified in many of these cases is such that there is almost an overwhelming disinclination on the part of the examiners to admit that they might possibly have been mistaken the last time. It seems to me that it would be all to the good from the standpoint of justice and of getting a fresh viewpoint, a fresh angle, a fresh application of medical skill, if the reboarding could take place under some medical officer who had had no former connection with the case, who would consider it without bias and have no former decision to hamper his present consideration. I believe such a move would go far towards bringing about justice in some cases and removing dissatisfaction in many more. Where I have had cases reboarded perhaps three or four times, the third or fourth time the men appeared before the medical examiner the first remark made was this: "Oh, you are back here again, are you? What do you want now?" Well, it is impossible for any man to get a satisfactory examination when that is the attitude of the examining officers even before the examination begins; the man might just as well stay at home. I shall not go so far as to suggest, as was mentioned by someone, that we should scrap the whole examining body and put in fresh men on the ground that although they may have benefited by years of experience, there has occurred a hardening of the mental arteries which later renders them useless. But I would suggest, from my experience as a result of any obesrvations I have been able to make, that in the case of reboarding, in the case of a second or third or fourth examination of the same man, he should have the benefit of at least a change of physician, a change of attitude, an examination by a medical officer who, coming fresh to the consideration of that particular case, would be

unhampered by any previous decision on the same man or any preconceived opinion arising therefrom.

Before I close, I must in justice say this—and it has been one of the most pleasurable parts of pension work during the last months—that the men appreciate the changing attitude of the administration during the past months and under the present chairman. I received just the other day a letter from the legion bodies in my part of the country, with whom I have had a certain amount of contact for a good many years, and for the first time they did not ask for anything and made no complaints. They wrote to inform me that the situation and the feeling had materially improved, almost to paraphrase the words of the hon. member for Kingston City—and they used almost the same expression—not so much that there had been many increases in pension, not so much that a few of the applications formerly refused are now receiving consideration, but because of the manner in which the applications are being received. Instead of simply a curt note, "application refused," they receive a courteous notice informing them not only that it has been refused but why it has been refused, in many cases convincing them that the application had not the merit which they thought it had, and in others giving the reason and the meaning behind the evidence which had made proper consideration impossible, thus giving them a reasonable chance to strengthen their case and bring forward the evidence necessary to making it complete. I wish to pay that tribute to a gentleman whom I have never met, the present chairman, but with whose work I have had some contact, as well as having some knowledge of the attitude of the returned men in my part of the country at least in relation to the present administration. They do not think it is perfect, but they do believe it is steadily improving. With increasing experience and its application in new administrative methods—and possibly with some amendments that may be necessary, although at the moment I know of none; I think administration is the important thing now—with that experience sympathetically applied I believe we shall be able finally to close for all time what has been a rankling grievance on the part of a section of our citizenship who I think above all others should be considered. I certainly hope so. I can say this perhaps with the greater freedom and force because I am not a returned man, but have had contact with the returned men and have to some extent had their confidence. I believe that should be our attitude not merely on sentimental grounds but on the grounds stated so forcibly by the hon. member for Kingston City, having regard to the fact that the experience through which they have gone in many cases must have burnt out their power of resistance and left them a prey to disease and premature old age. We hope that with this sympathetic and understanding administration we shall be able to meet the situation more fully than ever before to the end that that rankling sense of injustice may be removed.

[Mr. Speakman.]

Item agreed to.

IMMIGRATION AND COLONIZATION

Empire settlement scheme, including grants authorized by the governor in council, $34,250.

Mr. MACKENZIE (Vancouver): What is the increase in this vote for?

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): This has to do with the empire settlement scheme agreement, entered into I think in 1926 or 1927 between the British government and ourselves, whereby young British lads were brought to Canada. Under the terms of the agreement, within a period of time which brought them to the age of twenty-five, I think, they were entitled upon having saved $500 to obtain a loan from the dominion government of $1,000, from the province of $250, and from the British government of $1,250, making in all $2,500. Several young chaps are entitled to these loans; some of them were entitled some three years ago. I have seen a number of them and have urged upon them that they would be well advised not to start to take on obligations. A person having saved $500 in farm work is doing pretty well. Up to the present we have not had to advance money to any of these boys, but enough of them are entitled under the agreement to take advantage of the loan if they persist and it would come to the amount asked for. I am hopeful, however, that none of them will undertake such obligations, because I know what it means.

Mr. MACKENZIE (Vancouver): Is that the reason for the increase in the vote?

Mr. GORDON: Yes, that is the reason.

Item agreed to.

Soldier and general land settlement—

Amount required for soldier land settlement advances, for advances under the British family schemes recoverable from the British government, for the cost of administration of soldier settlement and general land settlement, and for the cost of administration of soldier settlement staff, performing investigations for the war veterans allowance committee and Farmers' creditors Arrangement Act, $1,162,400.

Mr. McKENZIE (Assiniboia): There is a matter I wish to take up with the minister under this item. It is in connection with an order in council, I believe it was, passed about 1933, under which soldier settlers who paid a certain amount of money were given credit for an additional amount, I believe double the amount they paid.

Mr. GORDON: That was by statute.

Mr. McKENZIE (Assiniboia): I have had it brought to my attention several times, both by letter and by interviews with returned men, particularly in the dried out areas, that the men have not been able to pay anything in recent years because they have not had any crop. They want to know how they stand in regard to that provision in case they have a crop this year—whether they will get the same credit. In other words men who have a crop and are paying something get a credit on their loan, whereas those who have no crop are not getting any benefit whatever. What will their position be under that legislation in case they are able to pay something in the future?

Mr. GORDON: It was not by order in council but by legislation. Under that legislation if they get a crop and are able to pay something this year they will get credit dollar for dollar on the amount paid in.

Mr. VALLANCE: During the legion convention held here I think last year a resolution was passed asking that where a returned soldier say in any of the western provinces, who already had some farm land acquired other land through the soldier settlement board, which took security on all his land, including that of which he was in possession before he went to the war, this previously owned land should be freed from encumbrance because of any indebtedness to the government through the settlement scheme. Has the government given any consideration to that?

Mr. GORDON: The resolution to which the hon. member referred has not come pointedly to my attention, although it has been under review by offiecrs of the department. I shall be glad to make myself more familiar with the resolution, and if it appears that there is hardship by reason of the attitude of the board, and it is possible to correct it without statutory amendment, I shall be very glad to take such action as seems proper.

Mr. VALLANCE: The answer of the minister is indefinite. It is remarkable if the resolution has not been forwarded to him; it is more remarkable that, if it has, the minister is not more conversant with it. It seems to me that some legislative action should be taken to relieve this situation.

Mr. GORDON: It may seem strange, Mr. Chairman, but I have not had the resolution under my review. I know that I went through many of the resolutions passed last year with the representatives of the soldier organizations, but at the moment I cannot remember having dealt with the resolution to which the hon. gentleman has referred.

Mr. VALLANCE: I have a copy in my office. I did not anticipate that these estimates would be on to-night or I would have had it here.

Mr. GORDON: I have no doubt it was passed.

Mr. REID: I wonder if the minister has the figures as to the collections in British Columbia for the year 1934.

Mr. GORDON: The soldier settlement collections in British Columbia for 1934-35, to March 7, 1935, not including prepayments, amounted to $108,847.98 in cash, and the bonus that resulted from the payment of cash was $101,463.53.

Mr. REID: How does that compare with 1932?

Mr. GORDON: I am afraid I have not the figures for 1932.

Mr. REID: I wonder if the minister would be good enough to send them to me?

Mr. GORDON: Yes, I will prepare a statement and send it to my hon. friend.

Mr. REID: Has the minister any information as to the number of properties sold by the municipalities last year?

Mr. GORDON: In 1934 there were 141 properties in British Columbia sold by the department. Of course these were reverted properties.

Mr. VALLANCE: I notice that this item includes advances under the British family schemes, recoverable from the British government. How much of this item is being used for that purpose, how much is being spent on this British family scheme to-day, and are any families coming in under that scheme now?

Mr. GORDON: No, there are no settlers coming in under the scheme, and there have been none for some years past. These are

British funds that we are administering, including insurance and things of that kind, and of course this money is recoverable from the British government under the terms of the agreement.

Mr. VALLANCE: The whole item amounts to $1,162,400. How much is repayable by the British government?

Mr. GORDON: The breakdown of that item is as follows:

Advances—
Soldier land settlement, $393,800.
British government, $10,000.

Administration cost—
Soldier land settlement, $447,600.
General land settlement, $233,000.
Investigations for other departments, $28,000.
Farmers' Creditors Arrangement Act and relief investigations, $50,000.

Then there is provided $3,913.28 for losses under the British family agreement. You will note, Mr. Chairman, that when the Farmers' Creditors Arrangement Act came into force the services of the staff of the soldier settlement board were made available to those administering that act, for appraisals and matters of that kind. So, while that added to the work of the staff, I think we were fortunate in having these men available without adding to the cost of the civil service.

Mr. VALLANCE: The other day I directed the attention of the minister to a condition existing in northern Saskatchewan in connection with these British settlers. I should like to ask the minister, if he has the information there, how many British families were settled under this scheme, how many are still in Canada, how many have asked for deportation and how many have been deported.

Mr. GORDON: As at December 31, 1934, the number of active settlers under the British family scheme, with loans, totalled 1,825. There were four families who had repaid their loans in cash and eleven families who had repaid their loans by sale agreements, that is, tripartite agreements. There were 1,323 families who had withdrawn from 3,000 family scheme after contracting loans; 180 families who had withdrawn from the scheme before contracting loans—that is, they never really got started—and three families who did not receive loans at all. Of the total number that came out under the scheme 135 families were deported. I do not use that word "deported" as the term is usually accepted; they just did not fit in and asked to be returned to Great Britain.

[Mr. Gordon.]

Mr. VALLANCE: Has the minister the information as to how many asked for deportation that were not deported?

Mr. GORDON: I am afraid I have not the exact figures in that regard. I can say this, however, and I think I carry the percentages correctly in my mind. With respect to all people who were returned to Great Britain since August, 1930—and I do not refer only to this scheme; I include all Britishers—92 per cent first became deportable and then requested the department to return them to Great Britain. The other eight per cent were returned under orders of deportation. It has not been the policy of the department to be influenced too readily by pressure brought to bear for the return to Great Britain of Britishers who came to this country before 1930. At times some are prone to ask for return to the old land, and upon investigation it is found such people could get along if they tried. We do not encourage anything of that kind. The department does not like to see them return because while in some respects it may be true Great Britain offers more in the way of social insurance, or it may be that men wish to get back to their friends, yet we take the stand those men should have thought about such matters before they came here. I discourage action being taken because I harbour the view that this country presents great opportunities for anyone who wishes to take advantage of them, despite the fact that we hear it painted in rather gloomy colours.

Mr. VALLANCE: May I again refer to the people in northern Saskatchewan about whom I spoke the other day. They were brought in under the three thousand family scheme. It is unfortunate that most of those people were put on abandoned soldier settlement lands, and they never had a chance from the beginning. They have utterly failed, they are now destitute, and the information I receive is that their application for deportation has been refused. When this scheme was first suggested I pointed out the danger that these settlers coming into the country had not a ten per cent chance if they were placed on deserted soldier settlement lands, lands upon which the soldiers had not succeeded. I bring the matter to the attention of the minister because I have learned these people have asked for deportation. They cannot possibly make good, and I should like to know if it is a fact that deportation has been refused.

Mr. GORDON: The departmental officials in the locality in which these settlers lived have made investigations. The hon. member is not quite right when he states that they—I believe they are about a half dozen in number—have not made any payments. My information is that one of them paid something over $1,100. The fact that they were settled on reverted soldier settlement lands does not by any means indicate that those lands could not support families.

Mr. VALLANCE: They could not support immigrants.

Mr. GORDON: In any scheme, whether it be one affecting returned soldiers, a three thousand family scheme or any other land settlement scheme there is bound to be a considerable percentage of failures. The families who came to the western office, and to which reference was made in the house a few days ago, asked to be deported. Even if they had a proper case for deportation they are beyond reach of such action. I am told the British family scheme originated in 1924 and 1925, and they have been in this country more than five years. There is no fund upon which I could draw for purposes of returning them to Great Britain, even if it were desirable to do so. Of course there is no law which would justify my taking the action they suggest. I am not at all alarmed, because if we get fair climatic conditions in the coming season those people will take heart again.

Mr. McKENZIE (Assiniboia): Is the interest paid under the original soldier settlement scheme still standing at the rate of six per cent?

Mr. GORDON: Five per cent.

Mr. McKENZIE (Assiniboia): I should like again to refer to some circumstances I mentioned previously. I believe it is unfair to expect the returned soldiers in the dried out areas to be content to have this back interest charged against them, while the man who was fortunate enough to have a crop in the better districts got some relief by way of cancellation of half his interest, in the event of his paying the other half. It seems unfair to charge the interest against these men who have not had crops for the last two or three years.

Mr. GORDON: They will come under the Farmers' Creditors Arrangement Act.

Mr. McKENZIE Assiniboia): I do not think that will be satisfactory. In my view the government should consider doing something for these men by way of cancellation of a portion of the interest.

Mr. SPEAKMAN: There are three or four aspects of the matter about which I should like to speak, but as it is almost eleven o'clock I should not like to begin to-night. Possibly we could continue at another time.

Mr. GORDON: Very well.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, March 18, 1935

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.

Bessborough.

Government House,
Ottawa.

SUPPLEMENTARY ESTIMATES, 1934-35

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1935, was presented by Right Hon. Sir George Perley (Acting Prime Minister), read by Mr. Speaker to the house, and referred to the committee of supply.

ESTIMATES, 1935-36

A message from His Excellency the Governor General transmitting estimates—Canadian Government Merchant Marine, Canadian National Steamships and Maritime Freight Rates Act—for the financial year ending March 31, 1936, was presented by Right Hon. Sir George Perley (Acting Prime Minister), read by Mr. Speaker to the house, and referred to the committee of supply.

PRIVILEGE—MR. SAUVE

Hon. ARTHUR SAUVE (Postmaster General): The hon. member for Gloucester (Mr. Veniot), during the discussion of the Post Office estimates on the 14th instant, called my attention to rumours of immense profits being made through the sale of stamps by the philatelic section of the department. To pre-

vent misunderstanding may I be permitted to quote from Hansard, pages 1723 and 1724. The hon. member stated:

> Up until 1932 new issues were not sold through an agency, they were sold through the department; and if my memory serves me aright, in some instances amounts of $15,000, $20,000 and $30,000 were realized by the officials and paid into the treasury of this country.

The hon. member added:

> At the present time any profit which might be gained through the sale of these stamps does not come to the government; all the government receives is the small amount it gets from the agency.

To this I replied, as reported on page 1723 of Hansard:

> The philatelic branch has had a revenue of about $50,000 this year. It sells all stamps at face value. . . . They are not sold through an agency unless you call the philatelic branch an agency.

Further on the hon. member for Gloucester said:

> To-day that revenue is nil, but those handling these stamps are making a fortune.

I then replied to the hon. member that if he wished to make a direct accusation of graft in regard to the sale of stamps, I would immediately look into the matter. The hon. member replied:

> I did not say there was graft in the department. I said that the practice of the department led to graft to people outside the department but not in the department. I am not accusing the department of graft.

The hon. member added as reported on page 1725.

> I want a definite answer to a question which interests the public as a whole concerning what to my mind is one of the worst principles ever established in the Post Office Department, namely, allowing outsiders to make a profit on the sale of stamps which should go to the government.

From the foregoing it may be inferred that the hon. member has clearly stated: That since 1932 the government has been deprived of some revenues by the fact that a philatelic section has been organized in the Post Office Department; that people outside the department have made immense profits through the sale of such stamps, and that the establishment of this section is "the worst principle ever established in the Post Office Department."

Since the hon. member claimed that he was not satisfied with the answer I gave on February 20 to the hon. member for North York (Mr. Mulock) and the further explanations given during the discussion of the estimates, I promised to make a further inquiry into this matter. I wish now, with the leave of the house, to read a memorandum which will clarify the whole situation.

Prior to 1932 postage stamps sold to collectors were handled by the postage stamp division staff which also supplied all postage stamps to post offices. In view of serious criticisms made of the department that philatelists could not get proper information concerning stamps sold to collectors and also because the department seemed to be losing considerable revenue from this source, the work of the philatelic sales was organized in 1932.

No sale of unused stamps has been made under the philatelic section nor by the department since the philatelic section was formed, at more than the face value of the stamps.

In order that such work would be efficiently directed, this section, which forms an integral part of the organization of the department and is manned entirely by departmental employees, was placed under the direction of an official who had proper knowledge of such work and who could deal effectively with questions raised by philatelists. Since the organization of the philatelic section sales to collectors have averaged between $50,000 and $60,000 yearly and in the present year are expected to attain the highest figure in their history; the sales this year to date indicate a revenue of approximately $70,000.

Under the previous method of handling sales to collectors the average per annum was approximately $8,000 and the highest sale attained prior to 1930 was $30,000 in 1929. The revenue accruing from these sales has increased nearly nine times over any revenues received up to 1927 and has more than doubled under the present system the highest receipts prior to the formation of the philatelic section. The average sales for the past three years have been more than five times the overhead cost to the department, including salaries of the employees.

The department does not attempt to provide continuous sale of used postage stamps. A small quantity of such stamps is made available through preparation of these stamps for sale by an employee. When such stamps are available they are sold in numbers not greater than ten stamps of any one particular issue to one person, in order that collectors generally may have the privilege of obtaining them when possible, instead of allowing the whole supply to be bought in by dealers.

As shown in figures given in answer to a question asked in this house this year, the revenue for the last two fiscal years totalled

$155 from the sale of used stamps. Practically all used stamps sold to the public are sold by stamp dealers who obtain their supplies, not from the Post Office Department nor from any post office official, but from supplies salvaged from private sources. The Post Office Department does not deal in stamps having a known enhanced philatelic value, nor does it charge a premium on any stamps it sells. It sometimes happens, however, that stamps sold by the department at face value subsequently increase in their philatelic value, which has no relation to their value as postage.

The department has no official information regarding the prices at which these stamps are selling now to stamp collectors in the country, nor does it concern itself with such prices. The Post Office Department does not conduct its philatelic sales through any outside agency. All sales of stamps of any kind to collectors and dealers are made through the philatelic division of the department. All revenue from these sales is deposited to the credit of the receiver general of Canada on post office account, and becomes an integral part of post office revenue. There has been no deviation from this rule at any time.

In the statement that I have just read to the house the hon. member for North York (Mr. Mulock) also will find the answer to both questions asked by him and appearing on page 1854 of Hansard of March 14, in the French version and on page 1724 in the English.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 34 for the relief of Marie Philomene Florence Maher McCaffrey—Mr. Heaps.

Bill No. 36 for the relief of Charles Henry Campbell—Mr. White (Mount Royal).

Bill No. 37 for the relief of Maria Elphinstone Hastie Kinnon—Mr. Bell (St. Antoine).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ROYAL CANADIAN MOUNTED POLICE

Mr. MICHAUD:

What was the total cost to the dominion government for the maintenance of the Royal Canadian Mounted Police in New Brunswick, in the years 1932, 1933, and 1934?

Mr. GUTHRIE:

1932..	$212,501 91
1933..	395,941 20
1934..	356,864 86

Note.—The figures set forth above include all expenditures during the respective years shown for:

(1) The enforcement of federal statutes, including those connected with the preventive service.

(2) The enforcement of provincial statutes and the Criminal Code.

(3) The R.C.M. Police assumed the duties of the enforcement of the provincial statutes and the Criminal Code in the province of New Brunswick, and also the duties of the preventive service, from the 1st of April, 1932.

(4) The following amounts have been received or will be received shortly from the New Brunswick government, under the terms of the agreement:

1932..	$ 75,000 paid
1933..	100,000 paid
1934..	75,000 paid
1934 (Outstanding and to be paid shortly)..	25,000
	$275,000

and which should be deducted from the total costs above quoted.

CANADIAN LEGATION—PARIS

Mr. POULIOT:

1. What is the total amount paid to the Hon. Philippe Roy, Canadian minister to France, from January 1, 1931, until now?

2. During that period, did he spend anything for entertainments?

3. If so, what is the total of that expenditure?

4. What was the total cost of the Canadian legation in Paris for the same period?

Sir GEORGE PERLEY:

1. The total amount paid to the Honourable Philippe Roy, Canadian minister to France, from January 1, 1931, to the 31st January, 1935, for salary, allowances and travel, was $99,956.63.

2 and 3. Expenditures for entertainment were made from the allowances granted to the Canadian minister at Paris. In addition, there has been paid from the vote for the Canadian legation at Paris, an amount of $498.96—the expenses of Dominion day reception, 1st July, 1934—Jacques Cartier celebration.

4. The total cost of the Canadian legation in Paris from the 1st January, 1931, to the 31st January, 1935, was $342,222.92.

CANADIAN LEGATION—TOKYO

Mr. POULIOT:

1. What is the total amount paid to the Hon. Herbert Marler, Canadian minister to Japan, from January 1, 1931?

2. During that period, did he spend anything for entertainments?

3. If so, what is the total of that expenditure?

4. What was the total cost of the Canadian legation in Japan for the same period?

Sir GEORGE PERLEY:

1. The total amount paid to the Honourable Herbert Marler, Canadian minister to Japan, from January 1, 1931, to January 31, 1935, for salary, allowances and travel, was $101,901.03.

2 and 3. Expenditures for entertainment were made from the allowances granted to the Canadian minister at Tokyo.

4. The total cost of the Canadian legation in Japan from January 1, 1931, to January 31, 1935, was $328,522.01.

INCOME TAX COLLECTIONS

Mr. RINFRET:

1. What is the total amount of income tax collected by the government in the year 1934?

2. What is the amount collected in that same year in the province of Quebec?

3. What is the amount collected in that same year in: (a) Montreal; (b) Westmount; (c) Outremont; (d) Verdun?

Mr. MATTHEWS:

1. Calendar year 1934, $61,608,732.29.

2. Calendar year 1934, $19,493,345.46.

3. (a) Not available.
(b) Not available.
(c) Not available.
(d) Not available.

Statistics not maintained in such a manner as to give information requested.

NEW RICHMOND AND HOWATSON'S POINT, QUE. WHARVES

Mr. MARCIL:

1. Is it the intention of the Department of Public Works to abandon the departmental wharf at New Richmond, Quebec, and if so, for what reason?

2. In deciding to ask parliament for an appropriation for a deep water wharf at Howatson's Point, Bonaventure county, did the department take into consideration the advantages of Woodman's Beach and the money already expended there by the department?

3. What was estimated as the cost of making New Richmond wharf available to coastal steamers, and what amount is contemplated to be expended at Howatson's Point?

4. Will this work be done by contract, and is it intended to utilize creosoted timber, and sheet iron piling, and to what extent?

[Mr. Pouliot.]

Mr. STEWART (Leeds):

1. There has been no decision made to abandon the wharf at New Richmond.

2. Yes.

3. (a) Estimated cost of repairs to and strengthening structure $25,000; dredging channel 150 feet wide, 15 feet deep at low water $170,000; it is estimated the maintenance of the channel would be costly.

(b) $38,800.

4. (a) Yes.

(b) Yes, creosoted timber for sheathing below half tide.

RUISSEAU LE BLANC, BONAVENTURE, QUE., DREDGING

Mr. MARCIL:

1. Have Cummins Company completed their dredging contract at Ruisseau Le Blanc, Bonaventure county?

2. How much dredging has been done and at what cost?

3. Is any further dredging contemplated at this place or any other point in Bonaventure county?

4. If so, where?

Mr. STEWART (Leeds):

1. No. Work to be commenced in spring of 1935.

2. None.

3. No further dredging contemplated at Ruisseau Le Blanc, and no decision yet made as to dredging at any other point in Bonaventure county.

4. Answered by No. 3.

LIEUTENANT-COLONEL DENLEY—PAY AND ALLOWANCES

Mr. TOTZKE:

What is the amount of pay, command pay, allowances or other remuneration received by Lt.-Colonel W. E. Denley, Officer Commanding Prince Albert Volunteers, at Prince Albert, Saskatchewan, since his appointment?

Mr. STIRLING: Pay, annual drill, $26; command and training allowance, $214.75; care of arms, $80; postage, $45.

ALBERTA AND MARITIME COAL SHIPMENTS TO CENTRAL CANADA

Mr. CHURCH:

What amount of coal in tons was transported: (a) from the maritime provinces to central Canada and the head of the lakes; (b) from Alberta to central Canada by rail or rail and water, from 1921 to date?

Mr. HANSON (York-Sunbury):

(a) Shipments of coal from mines in the maritime provinces into Quebec and Ontario, 1921-1934:

Year	From Nova Scotia	From New Brunswick
	(short tons)	
1921	887,701	14,055
1922	1,408,050	63,028
1923	1,533,046	32,113
1924	1,644,735	22,302
1925	811,075	4,199
1926	1,965,645	2,680
1927	2,298,175	9,010
1928	2,382,145	101
1929	2,372,293	215
1930	1,893,679	383
1931	1,746,137	98
1932	1,588,980	1,048
1933	2,005,577	891
1934	2,894,415	11,075
Total	25,431,653	161,198

(b) Shipments of coal from Alberta mines to Ontario and Quebec, 1921-1934:

Year	Short tons
1921	11,530
1922	21,937
1923	52,340
1924	16,405
1925	28,458
1926	75,818
1927	22,999
1928	44,760
1929	55,785
1930	30,249
1931	26,850
1932	21,140
1933	39,010
1934	55,825
Total	503,106

*PERSONS ON RELIEF AT SHIPPIGAN

Mr. VENIOT:

Will the Minister of Justice inform the house from whom he received the information that "No person in Shippigan was on direct relief between May 1, 1934, and January 1, 1935."?

Mr. GUTHRIE: I received the information from the commissioner of the Royal Canadian Mounted Police. But I fancy that what is required is where the original information came from?

Mr. VENIOT: No, that is satisfactory.

UNEMPLOYMENT RELIEF—TELEGRAM TO J. E. LAFORCE IN 1933

Mr. POULIOT:

1. From where and on what date was addressed the telegram of which five lines were read by the Hon. Minister of Labour on April 27, 1933, Hansard, page 4326, first column?
2. To whom was it addressed? (Address in full.)
3. Did it contain anything besides the five lines read by the Hon. Minister of Labour?
4. If so, what was it?
5. Did the Hon. Minister of Labour or anyone on his behalf or any employee in any of the departments then headed by the said hon. gentleman meet Mr. J. E. Laforce before the latter sent the telegram already referred to?
6. If so, who, when and where?

Mr. GORDON:

1. Montreal, April 27, 1933.
2. Honourable W. A. Gordon, Minister of Immigration, Ottawa, Ont.
3. No.
4. Answered by No. 3.
5. No.
6. Answered by No. 5.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT RELIEF, NEW BRUNSWICK

Mr. MICHAUD:

1. What was the total number of unemployed male persons between the age of 18 and 65 in the province of New Brunswick, on July 1, 1933; January 1, 1934; July 1, 1934, and January 1, 1935?
2. What was the total number of persons in New Brunswick receiving a direct relief on July 1, 1933; January 1, 1934; July 1, 1934, and January 1, 1935?

Mr. CAHAN: Return tabled herewith.

PAYMENTS TO GUSTAVE MONETTE

Mr. BRADETTE:

What amount has been paid, in taxable costs and fees, to Mr. Gustave Monette, solicitor, of Montreal, by each department from 1930 to date?

PAYMENT TO JEAN PENVERNE

Mr. BRADETTE:

What amount has been paid, in taxable costs and fees, to Mr. Jean Penverne, solicitor, of Montreal, by each department from 1930 to date?

ASSISTANCE TO COAL, GRAIN AND STEEL INDUSTRIES

Mr. CHURCH:

What sums were spent annually by way of bonuses, subventions, subsidies or stabilization funds to assist: (a) the maritime or Alberta coal industry; (b) on grain; (c) on steel and iron, from 1921 to 1934?

SOLDIER PENSION CASES OUTSTANDING

Mr. CHURCH:

1. How many soldier pension cases were standing at the beginning of each year from 1921 to date?

2. How many cases were settled yearly in the same period?

3. What are the number of cases outstanding now that have not been completed?

4. Has any time limit been placed on when the balance are to be finally decided by the pensions appeal board?

MILITARY EXPENDITURE 1920 TO 1934

Mr. LAURIN:

What sums were expended by Canada for military purposes in 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933 and 1934?

MOTIONS FOR PAPERS

BANK OF CANADA—OFFICERS, EMPLOYEES AND BRANCHES

Mr. MACKENZIE (Vancouver):

For a return showing—

1. The centres where branches of the Bank of Canada have been opened.

2. The names of all employees of such bank in such centres with total salaries in each case.

3. The names of all officers and employees of such bank at headquarters in Ottawa, with total salaries in each case.

Sir GEORGE PERLEY: I would ask that this motion stand until the Minister of Finance is here. I am not quite sure whether the government has control of these matters or not.

Mr. SPEAKER: Stands.

BANK OF CANADA, ASSETS

Mr. MACKENZIE (Vancouver):

For a return showing all orders in council passed during the last six months with reference to the formation of the Bank of Canada and with reference to any assets assumed by such bank on commencing business.

ARICHAT, N.S., WHARF

Mr. DUFF:

For a copy of all payrolls, accounts, costs, and other documents, in connection with the construction of a new wharf, and cost of removing old wharf from the site at Babins Hill, Arichat, Nova Scotia, during the year 1934.

[Mr. Bradette.]

RICHELIEU CORPORATION

Mr. MARCIL:

For a copy of all correspondence or other documents, in the Department of Trade and Commerce or any other department, passing between the said department or any of them or any of the officials thereof and E. A. D. Morgan of Montreal, or any other persons on behalf of the Richelieu Corporation, from January, 1932, to date, regarding a subsidy to the Richelieu Corporation for equipping boats for the export of cattle.

BONAVENTURE COUNTY, QUE., PUBLIC WORKS PURCHASES

Mr. MARCIL:

For a statement showing how much creosoted timber and steel sheet piling has been used by the Department of Public Works in Bonaventure county since August, 1930, to date; showing quantities and cost at each place and where such material was purchased in each case.

WESTERN POULTRY MARKETING

Mr. VALLANCE (for Mr. McPhee):

For a return showing the disbursement of the sums of $10,000, $20,000 and $20,000 advanced by the government of Canada to the co-operative organizations in the provinces of Manitoba, Saskatchewan and Alberta respectively, in connection with the recent vote in these provinces regarding the poultry marketing scheme, showing: (a) the names of the parties by provinces to whom the said sums were disbursed; (b) the amount received by each (c) to whom the disbursement of said sums in each province was entrusted.

MONTREAL RELIEF WORK

Mr. GIROUARD:

For a copy of the report made by the Auditor General of Canada, dated July 6, 1934, concerning expenditures on relief work, city of Montreal, 1930 and 1931 acts; and also copy of the report made by the Auditor General of Canada, dated December 11, 1934, concerning provincial accounts for relief work and direct relief, 1930 act.

MOUNTED POLICE—NEW BRUNSWICK

Mr. VENIOT:

For a copy of the evidence and report of the investigation held in Bathurst in 1934 into the allegation that the Royal Canadian Mounted Police has practised the third degree on a prisoner.

Also copy of the evidence and report on the allegation that the patrol boats had lain for days at the wharf in Bathurst while smuggling was going on in the vicinity.

Also copy of the contract between the government of New Brunswick and the federal government in connection with the transfer of the enforcement of laws in the province of New Brunswick to the Department of Justice through the Royal Canadian Mounted Police.

Also a list of the names of the provincial police of New Brunswick who were transferred

from that force to the Royal Canadian Mounted Police when the latter took over the enforcement of provincial laws.

Also a copy of the decision of the appellate branch of the Supreme Court of New Brunswick in the matter of appeal in the case of the captain of the Paul T, seized under the liquor law of New Brunswick.

Mr. GUTHRIE: Mr. Speaker, in regard to the last of the enumerated documents I beg to say that so far as I can ascertain there is no copy of any judgment of the appellate branch of the Supreme Court of New Brunswick to be found. The only suggestion I can make is that my hon. friend apply to the registrar of the court, who may be able to furnish him with a copy. All the other documents will be produced.

Motion agreed to.

LOG BOOKS—GOVERNMENT PATROL BOATS

Mr. VENIOT:

For a copy of the log books of the government patrol boats doing patrol work in the bay of Chaleur and strait of Northumberland for the years 1933 and 1934.

Mr. VENIOT: I should like to say that the only returns I desire are in connection with the patrol boat under the jurisdiction of the mounted police. I am not concerned with the fisheries patrol boats. This morning I was asked by the Department of Fisheries what I required in that respect, and I make this clear so they will not have to do any work in this connection. With that amendment I would ask that the motion pass.

Mr. GUTHRIE: My hon. friend understands, of course, that those log books are on the vessels doing patrol work. Copies will be obtained at the earliest possible moment and they will be laid on the table.

Mr. VENIOT: Is it not a fact at the end of the year the log books are deposited with some department here, either the Department of Marine or the department having charge of these police officers?

Mr. GUTHRIE: I was informed this morning that they are on the boats.

Mr. VENIOT: That is a queer place to keep them.

Motion as amended agreed to.

DUNCAN REPORT—PRINCE EDWARD ISLAND

Mr. MYERS:

For a copy of all correspondence between the premier of Prince Edward Island and the Prime Minister, and the Minister of Finance of Canada, during the years 1927 to 1930, inclusive, in connection with the request of the province of Prince Edward Island for further implementation of the Duncan commission report.

PACIFIC COAST STEAMSHIP COMPANIES

Mr. NEILL:

For a copy of all contracts between the dominion government and all steamship companies operating from the Pacific coast, where said companies receive public moneys either by way of subsidy or by contract for the carrying of mails.

MR. ALBERT RIOUX

Mr. POULIOT:

For a copy of order in council appointing Mr. Albert Rioux as representative of debtors on the board of review for the province of Quebec in virtue of the Farmers' Creditors Arrangement Act.

MINIMUM WAGE

BILL FOUNDED ON CONVENTION ADOPTED BY INTERNATIONAL LABOUR ORGANIZATION AND TREATY OF VERSAILLES

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee at the next sitting, to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for minimum wages pursuant to the convention concerning minimum wages adopted by the international labour organization in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace, and to enable Canada to discharge the obligations assumed under the provisions of the said treaty and of the said convention.

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

Motion agreed to.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee at the next sitting, to consider the following proposed resolution:

That it is expedient to bring in a measure respecting relief, and to provide for such payments out of the consolidated revenue fund as may be necessary for all or any of the purposes of the proposed legislation.

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

Motion agreed to.

ILLNESS OF PRIME MINISTER

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Yesterday I had a talk with the Prime Minister (Mr. Bennett) in his room, and I think everyone in the house will be glad to know that he is much better.

Some hon. MEMBERS: Hear, hear.

Sir GEORGE PERLEY: His medical adviser, Doctor R. S. Stevens, has handed me the following statement dated this morning:

The Prime Minister had further disturbance of cardiac rhythm on Monday and again on Wednesday of last week. There has since been no recurrence and the rhythm is now apparently under control. Apart from this his progress has been without incident and is considered satisfactory. However, the necessity for further bed rest still exists.

KINGSTON PENITENTIARY

ALLEGATION CONCERNING STATEMENTS ATTRIBUTED TO INSPECTOR DAWSON

On the orders of the day:

Miss AGNES C. MACPHAIL (Southeast Grey): I should like to direct a question to the Minister of Justice (Mr. Guthrie). I asked for a return of all papers, correspondence and reports of inspections made of Kingston penitentiary by Inspector Dawson, together with interviews by Inspector Dawson in the same institution, between February 1 and July 1, 1934. I noticed that the Minister of Justice quite properly said that in bringing down the return all proper reservations would be observed in regard to confidential documents and information in regard to prisons.

Mr. GUTHRIE: That should be "prisoners", not "prisons."

Miss MACPHAIL: It is "prisons" in Hansard. I find in reading the return that it deals only with interviews between Inspector Dawson and one convict, No. 3242. It is so exhaustive that it includes medical sheets and temperature charts. It stops abruptly on April 8, although on April 9 Inspector Dawson interviewed convict No. 3033 in the lecture room of the administration building at Kingston penitentiary between 11.40 and 2.15 p.m., and in the interview he used abusive and profane language in regard to myself, and said that after he had finished his inspection I would not be able to lift up my head in the House of Commons again. The information was supplied to me by convict No. 3033 who has served his full time, who is now at large and who is prepared to swear to this statement in any inquiry.

[Mr. Gordon.]

There was a great deal of correspondence about this statement of Inspector Dawson between the prison officials in Kingston and the department here. I want to ask the Minister of Justice where the correspondence is. I think one could not say it applies to prisoners. I may be under the suspicion of the Minister of Justice but I am scarcely a prisoner.

Hon. HUGH GUTHRIE (Minister of Justice): I produced the file which was handed to me as a complete file, but I shall make inquiries. I have never heard of any report of an interview between inspector Dawson and prisoner No. 3033. If there is such a report I will produce it.

ROYAL CANADIAN MOUNTED POLICE

REPORTED PRESS INTERVIEW GIVEN BY POLICE OFFICIAL

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Justice (Mr. Guthrie). Has his attention been called to an interview given by Detective Inspector Zaneth and appearing in the Montreal Herald of March 14. The interview is as follows:

Concerning charges of destroying food—

Mr. SPEAKER: I do not think the hon. member should read the interview. He has a perfect right to refer to the matter and then ask the question of the minister.

Mr. VENIOT: I should like to ask the minister if he has any knowledge of the matter, and if he has not I can give him the information. The inspector gave an interview to the Montreal Herald respecting certain matters which had taken place in this chamber regarding the destruction of food at Shippigan. Has the minister had notice of the interview? If not I could give him the information it contained. I would ask him whether or not he would look into the matter.

Mr. GUTHRIE: This is the first intimation I have had but I shall make an inquiry as early as possible.

Mr. VENIOT: I could supply the minister with a copy of the interview, if he wishes to have it.

CONSCRIPTION IN GERMANY

POSITION OF CANADIAN GOVERNMENT ON ACTION TAKEN BY GERMAN GOVERNMENT

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, has the govern-

ment a statement to make regarding the situation in Europe arising out of the action of Germany?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, I need hardly say the Canadian government have noted with anxiety the announcement by the German government of its intention to re-establish its military forces and to revive compulsory military service, contrary to the provisions of the treaty of Versailles. It is regretted that this unilateral action has taken place on the eve of promising efforts to deal with the whole European arms question, including the revision by agreement of the treaty restrictions on German armament. The Canadian government will continue to follow the situation with care.

BUSINESS OF THE HOUSE

INQUIRY CONCERNING LEGISLATION TO BE PLACED BEFORE PARLIAMENT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, coming to domestic affairs, may I ask the acting leader of the government if the house has now before it all the government intends to bring down by way of social legislation, not including of course such legislation as may be based upon or introduced in consequence of the report of the royal commission on price spreads and mass buying? I include in my question the measures of which notice has been given on to-day's order paper?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): No, I believe there are one or two further measures which at the present time I am unable to explain. Then, in addition, there will be such measures as are based upon the report of the royal commission on price spreads and mass buying.

PRICE SPREADS COMMISSION

PROBABLE DATE OF PRESENTATION OF REPORT OF ROYAL COMMISSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, has the acting leader of the government had any intimation with respect to the time the report of the royal commission on price spreads and mass buying may be presented?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, I believe it was Thursday last the right hon. leader of the opposition asked me the same question, and in reply I said I would make inquiries. I have spoken to the chairman of the commission and he tells me that they are at present drafting their report. However he cannot yet say when it will be completed.

STATEMENT CONCERNING PRESS REPORT

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): While I am on my feet I may refer to the reference made on Friday evening by the right hon. leader of the opposition. At that time he had before him certain articles appearing in the press and purporting to give particulars of commission findings. I need hardly say we regret very much that the report should have appeared. I do not know how such reports get out, nor do I know whether or not they are authentic. The commission is an investigating body and is in no way under the direction of the government although appointed by order in council. I believe all of us would agree that the proceedings and findings of the commission should not be made public until they are laid before parliament.

CORRECTION—MR. CAHAN

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, inadvertently on Friday evening I believe I did an injustice to the hon. member for Vancouver Centre. Speaking from memory I stated that in an address in this chamber he had favoured the issue of $425,000,000 in paper currency.

Mr. MACKENZIE (Vancouver): You were $5,000,000 out.

Mr. CAHAN: The hon. member upon that occasion shook his head and asked me to refer to Hansard in order to obtain more accurate information. Upon referring to Hansard I have found that the hon. member suggested $430,000,000, and not $425,000,000. But in referring to such a vast sum I trust the discrepancy in the figures did not do the hon. member any great injustice.

Mr. MACKENZIE (Vancouver): All for the sake of accuracy.

IMPORTS FROM U.S.S.R.

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, may I bring to the attention of the government a question asked on February 22 and appearing at page 1091 of Hansard. The question is under the heading "Imports from U.S.S.R." It is now almost one month since the inquiry was made. Then later, on March 4, I asked the government when I might expect an answer, and upon

that occasion the Minister of Trade and Commerce (Mr. Hanson) told me he would have the matter looked into and would answer on the following day. I find that when I asked the question on February 22, the Prime Minister replied "Stands as notice of motion." I should be very thankful if the right hon. acting Prime Minister would answer the question.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): I would suggest that the hon. member put his questions on the order paper; if he would do so I believe they would be answered more quickly. I had intended replying before, but there was nothing on the order paper which would bring it to my attention.

Mr. POULIOT: That is why I do it.

Sir GEORGE PERLEY: I suggest to the hon. member that the next time he might put it on the order paper. However, the answer to his question is that this order in council, No. 463, has been laid on the table of the house and the information contained therein is available to the hon. member. Nothing has been done since that order in council was passed which alters in any way the position as therein set forth.

Mr. POULIOT: That is no answer; it is just a reply.

CANADIAN NATIONAL RAILWAYS

REPRESENTATION OF EMPLOYEES RESPECTING EQUIPMENT CONSTRUCTION

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I have a question to direct to the hon. Minister of Railways and Canals (Mr. Manion). Would he be good enough to inform the house if the government have come to any decision in regard to its policy in the purchasing of new equipment for the Canadian National Railways, whether it will be built in the Canadian National Railway shops by the Canadian National Railway employees, or be given to private companies?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, there has been no decision arrived at. In fact, the matter has not been considered further since the hon. gentleman asked the same question the last time.

CANADIAN FARM LOAN ACT

On the orders of the day:

Mr. J. L. BROWN (Lisgar): There is a matter that I would like to bring to the attention of the government. There is likely to be a large demand for copies of the Canadian Farm Loan Act. I have already had requests for copies of that act. I think everyone will understand that those who are not lawyers will have some difficulty in understanding the act with the various amendments that have been made this year and last year, and I would suggest in view of the widespread interest in this act that the government should have it printed with all the amendments in their proper place so that the ordinary layman can read the act as amended with some understanding. I would also suggest that it be furnished without cost to members of parliament, who usually have to pay for these acts when they forward them to their constituents. Will the government give consideration to my suggestion?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): The suggestion will be taken into consideration.

COMPOSITORS STRIKE, LONDON, ONT.

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I have received a protest from London Typographical Union No. 133 over the signature of John McLean, president of the union, and John Christie, secretary, with reference to an item on page 102 of the Labour Gazette of February, 1935, where it states that this strike in connection with the newspapers in London has been concluded in favour of the employers. I would ask the minister to see that that be corrected because the strike is still an active strike. Within the past two weeks committees from the union have been in conference with the employers, and as the Labour Gazette has a large circulation in that part of the country the item conveys a false impression to the disadvantage of the men involved in the dispute.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, this matter just came to my attention a few moments ago, and I have just now been handed the answer to the question raised by the hon. member for East Hamilton, which with the permission of the house I shall read. It is in the form of a letter, signed by the Deputy Minister of Labour, and addressed to John McLean, president of the London Typographical Union No. 133, to whom the hon. member made reference. The letter is as follows:

Ottawa, March 18, 1935.

Dear sir,—The Department of Labour has recently received through Mr. J. F. White, M.P., and Mr. J. S. Woodsworth, M.P, the protest over the signature of yourself and Secretary Christie in regard to an article appearing on page 102 of the February, 1935, issue of the

Labour Gazette concerning a strike of members of the International Typographical Union who were employed by the London Free Press and the London Advertiser

It is observed from your letters that the statement appearing on page 102 gives the information that the strike has terminated in favour of the employers. It is noted also that you desire to correct this statement and to emphatically say that the strike has not terminated. In support of your contention you point out that within the last two weeks a committee from your union has had meetings with the managers of the newspapers concerned and that negotiations are still in progress whereby an amicable settlement is hoped for.

In this connection I believe that if you will again refer to the article in question you will find that it does not bear out your protest, certainly not to the extent indicated in your letters. While the article does show that the strike has been recorded as terminated, that reference has merely to do with the departmental statistics. It will be observed that this particular reference shows clearly that the strike has not been called off or definitely terminated by the union involved. I am quoting hereunder the full text of this item:

"The dispute involving sixty-four members of the International Typographical Union and two daily newspapers in London, Ont., which commenced on March 1, 1934, the employers having refused to negotiate and sign a renewal of the union agreement, is recorded as terminated, the strikers having been replaced from time to time. The dispute has been added to the list in a previous paragraph of those in which employment conditions are no longer affected but which have not been called off or definitely terminated by the unions involved."

This particular strike was carried for ten months as in effect, and as it appeared from information available that the strikers had been replaced the dispute was recorded as terminated in line with the general practice of the Department of Labour in such matters. This practice, I may say, is in accordance with the recommendations as to the method of compiling statistics of industrial disputes adopted at a conference of official labour statisticians called by the international labour office at Geneva in October, 1926.

I regret very much indeed that any misunderstanding has occurred in this respect, and I may assure you at once that in following our ordinary policy it was certainly not the intention to do any injustice to your local union. I am pleased indeed to know that negotiations have recently been resumed, and I desire to express the hope that the outcome will be satisfactory to the parties concerned. You are of course aware that the conciliation service of this department is readily available if desired.

I may add that your suggestion that the article to which objection has been taken emanated from or was influenced by the employers is of course entirely incorrect, as no communication has been received in the department from the employing companies on this subject.

Yours truly,

W. M. Dickson,

Deputy Minister of Labour.

John McLean, Esq.,
President,
London Typographical Union No. 133,
London, Ontario.

ILLUSTRATION STATION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, may I ask the Minister of Agriculture (Mr. Weir) if he is considering establishing another demonstration farm in the upper end of northwestern Saskatchewan that is in that part of northern Saskatchewan that lies north of the North Saskatchewan river?

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, the hon. member gave me notice that he was going to ask this question, only in a slightly different way. No such request has been received and it is not intended to establish an experimental farm there. If the hon. member means an illustration station—

Mr. McINTOSH: I do mean that.

Mr. WEIR (Melfort): I will make further inquiries as to whether or not that is planned because I just received notice of the hon. gentleman's question on coming into the house.

FISHERIES ACT, 1932

POWER TO PRESCRIBE FEES FOR FISHERY LICENCES

Hon. GROTE STIRLING (Acting Minister of Fisheries) moved the third reading of Bill No. 26, to amend the Fisheries Act, 1932.

Hon. CHARLES MARCIL (Bonaventure): Perhaps the minister will pardon me if I put a question to him on the third reading regarding the construction of a biological station on the Gaspé coast. I was not here when this bill was discussed on a previous occasion, but I should like to say that I know that the previous minister took this matter up with the Bishop of Gaspé and much correspondence ensued between the department and His Lordship with a view to having a biological station established on the Gaspé coast. I would like to know from the minister if any progress has been made in that respect, and if so to what extent.

Mr. STIRLING: I remember that correspondence has been carried on in that regard, but I am afraid that at the moment I am not in a position to advise the hon. member what the situation is. I shall be glad to look into it and communicate with him.

Motion agreed to and bill read the third time.

ROYAL CANADIAN MOUNTED POLICE

EXTENSION OF PENSION PROVISIONS AND DISTRIBUTION OF FINES AND PENALTIES

The house resumed from Friday, February 15, consideration in committee of Bill No. 9, to amend the Royal Canadian Mounted Police Act—Mr. Guthrie—Mr. Morand in the chair.

On section 2—Payment of amount specified in charge.

Hon. HUGH GUTHRIE (Minister of Justice): When this bill was under consideration on the former occasion the hon. member for Shelburne-Yarmouth (Mr. Ralston) proposed an amendment to section 2 to change the lettering from (e), (i) or (j) to (e), (j) and (k). Was an amendment carried to that effect? The point is that the bill is correctly drafted. We have verified the lettering of these subsections and both the hon. member and myself were in error in the former discussion. As the section now appears it is correctly printed and should be passed in that form.

The CHAIRMAN: Section 2 is initialled as passed.

Mr. GUTHRIE: Is there an amendment to the effect I have indicated?

The CHAIRMAN: There is no sign of it here.

Mr. GUTHRIE: Then it is all right.

On section 2—Application of penalties.

Mr. GUTHRIE: This also was passed. The same change was suggested at the top of page 2, where the same subclauses are similarly lettered. The present lettering is correct.

Mr. REID: I had in mind, when the bill was under discussion before, a question in regard to moieties. I asked whether moieties were paid to the officers and the minister said they were not. May I ask whether they are paid to informers who may not be members of the force.

Mr. GUTHRIE: Yes. Moieties or rewards —I am not sure that they are moieties exactly—are paid under the statute both in connection with excise and with customs, but not to members of the force.

Section agreed to.

On section 4—Officers' pensions.

Mr. GUTHRIE: The hon. member for Shelburne-Yarmouth asked for an approximate idea of the cost that would be involved in the proposal. As nearly as can be computed, the cost in respect of officers would be $425 and in respect of men, $438.

Mr. MACKENZIE (Vancouver): A year?

Mr. GUTHRIE: Yes, assuming that four officers and six men are entitled. That is a very liberal assumption because so far as we know there are only two officers and one man. There was a suggestion that the word "Canadian" should be stricken out in the first line of subsection 8. The reason is that in the Militia Act, which was passed some years ago, the word "Canadian" is not used, and to bring this act into conformity with the other the word should be omitted. The committee will remember that the forces serving in South Africa were not distinctively Canadian forces, but formed part of the British force. It is merely technical but I move that the word "Canadian" be stricken out.

Amendment agreed to.

Section as amended agreed to.

On section 5—Constables' pensions.

Mr. GUTHRIE: The word "Canadian" in the first line of subsection 5 should be omitted. I so move.

Amendment agreed to.

Section as amended agreed to.

On section 6—Widows' and orphans' pensions.

Mr. GUTHRIE: I was asked by my hon. friend from Shelburne-Yarmouth, in regard to both 6 and 7, what would be the cost to the treasury. There will be no cost in regard to either. I have a memorandum which I have just received to the effect that there is a time limit of six months to allow a member of the force to elect whether he will pay into the fund or not. It has been suggested by the commissioner that six months may be rather short to communicate with all and he suggests eight months. I move that in lines 9 and 17 the word "six" be substituted for the word "eight."

Amendment agreed to.

Section as amended agreed to.

Section 7 agreed to.

Bill reported.

EIGHT HOUR DAY

BILL TO LIMIT HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS

The house resumed from Thursday, March 14, consideration in committee of Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day

and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the general conference of the international labour organization of the league of nations, in accordance with the labour part of the treaty of Versailles of 28th June, 1919,—Mr. Gordon (for Mr. Bennett)—Mr. Morand in the chair.

Mr. HANSON (York-Sunbury): When this bill was previously before the house in committee last week it was passed with the exception of section 9, to which an amendment was proposed.

Mr. MACKENZIE (Vancouver): Was section 10 passed?

Mr. HANSON (York-Sunbury): Yes. A new section 9, embodying and overriding the existing provision, was at that time submitted to the committee. But objection was taken to it by certain members, including I think the hon. member for East Hamilton. Further consideration of the clause was postponed, and since that time a conference has been held between my colleague the Minister of Labour and myself, and interested parties, at which an arrangement has been arrived at. So I desire to withdraw the clause which was submitted as an amendment to clause 9 and to substitute therefor a new clause 9, the first portion of which is in the terms of the bill as printed and the latter portion of which is the amending portion. I should like to observe to the committee that this new clause 9 is based on article 5 of the treaty which I propose to read into the record:

Article 5

In exceptional cases where it is recognized that the provisions of article 2 cannot be applied—

Article 2 relates to the question of working hours.

—but only in such cases, agreements between workers' and employers' organizations concerning the daily limit of work over a longer period of time may be given the force of regulations, if the government, to which these agreements shall be submitted, so decides.

The average number of hours worked per week, over the number of weeks covered by any such agreement shall not exceed forty-eight.

The proposed clause 9 will read as follows:

9. The governor in council may, in exceptional cases where it is recognized that the daily limit of hours of work cannot be applied and agreements between workers' and employers' organizations to increase the daily limit have been made, give effect to such agreements and permit in such cases the said daily limit of hours to be exceeded: provided, however, that the average number of hours per week over the number of weeks covered by any such agreement shall not exceed forty-eight;—

The following is the overriding proviso:

—and provided further that in case such an agreement has been made prior to the thirty-first day of December, 1934, between a railway company and any employees' organization which embodies the basic principle of eight hours as the daily period of employment, the provisions of such agreement relating to the hours of employment shall, notwithstanding anything contained in this act, continue in force for a period of one year from the thirty-first day of March, 1935, unless suspended during such period by the governor in council.

The idea being to give a full year to the railway companies and the unions relating thereto having agreements with the railway companies to adjust their differences in the meantime. I may say that this is concurred in unanimously by the labour unionists there present.

The CHAIRMAN: With the consent of the committee, Mr. Hanson (York-Sunbury) moves that clause 9 as submitted be deleted and a new clause 9 be submitted.

Mr. HEAPS: Before this amendment is carried, a statement made by the minister who has just moved the amendment recalls to my mind that within the past few days I have received quite a number of communications from railway organizations. When he states that railway organizations were in favour of this amendment, I presume he refers to just a few that are affected by it.

Mr. HANSON (York-Sunbury): No; we think we mean all those who have any interest in it.

Mr. HEAPS: I assume the minister refers to the organizations that are affected by this amendment.

Mr. HANSON (York-Sunbury): I would go further than that. We have had other organizations who are interested in the amendment as well as those the hon. member mentions.

Mr. HEAPS: I do not know then how many railway organizations have stated to the government that they want an amendment of this character. All I know is that I have had communications in quite large numbers from railway organizations protesting that a forty-eight hour week is far too long a week in view of the large number of railway workers who are at present out of employment. We are going to give one year to the railway workers to adjust themselves to a forty-eight hour week, and the same thing applies of course to the companies. That is rather too long a time. At present when there are such large numbers of railway workers out of employment, who are anxious to find useful and productive work,

I would much sooner see the time allowed for the change to be much shorter than the twelve months stated in the amendment. After all the number of railway employees affected by this legislation must be extremely small.

Second. I have an objection to this class of amendment I object to selecting one form of labour out of all the others and making special provision for it. I do not see why railway employees should be singled out for special legislation as contained in this proposed clause. There must be other classes of employment where men may be affected, and we are merely opening the door here for exemptions under the bill which may be requested by other employees or employers who may be affected in exactly the same way as the railway workers are by this measure. Consequently, when we are attempting to pass legislation of this character, there should be equality in it, and there is not equality the moment we attempt to legislate for one industry and we do not legislate for others in exactly the same way. I realize that it may take time to adjust the position of certain classes of railway employees so far as hours of labour are concerned. The hon. member for Bow River informs me that under the bill as it reads at present they have three months, and with a large number of railway employees in the running trades out of work at the present time, when a man with twenty years seniority is probably wiping an engine or is not employed at all, or, as I know in similar instances, when such men are on government relief work, three months is a fairly reasonable time to allow railway employees to adjust themselves to the provisions of the forty-eight hour week.

Mr. GORDON: When the amendment was first suggested as an amendment to clause 9, it was made apparent that some time would have to be given in order to permit industry to adjust itself to the provisions of the bill generally. Then representations were made by organized labour, railway labour, the trades and labour congress of Canada, and discussions were held as late as this morning with the all-Canadian congress of labour. The various chairmen of the brotherhoods, some of which have many members who since 1928 have had difficulty in getting the work they would like on our railways, were consulted and the matter was gone into with great care. I recognize the dangers I have already pointed out in the debate of making a series of exceptions to a bill of this character, because of the ever-present danger of excepting the bill out of existence, if I may put the matter in that way. But it must be borne in mind that for many years past railway workers in the running trades have arranged their agreements with the railway companies on a mileage basis. The various agreements—and there are many of them—have been worked out on that basis during probably the past twenty-five or thirty years. Generally speaking the agreements have been satisfactory. I know that since 1928, by reason of various factors that have entered into the transportation business in Canada, a considerable percentage of railroad employees have been let out of the service or put on very short time. That is deeply to be regretted. Some of the factors causing that condition are beyond the control of any parliament or any railway company or any labour union. But the fact remains that the arrangements entered into voluntarily between the brotherhoods and the railway companies have grown up over a long period of years, and in the running trades have not been based upon an hourly schedule of work, but rather on mileage. These agreements are extremely complex, they are as complex as the transportation system itself. Having grown up over that long period of time, the representatives of all parties, both the railway companies and the brotherhoods and the labour congress, recognized that it was physically impossible to readjust within a shorter period than twelve months, agreements that would probably have to be entirely changed to an hourly basis rather than a basis of mileage or a combination of both, because it seemed to be the desire of those with whom I and my colleague the Minister of Trade and Commerce consulted, to spread this labour as far as possible amongst those railroad workers qualified to do the work. After the conference this amendment to section 9 was generally agreed to. Many drafts were made of the section in order that the difficulty which confronted us might be solved. Now, if it appears within a period of a year that these adjustments over the transportation system cannot be brought about, or if for any other reason the agreements are not adjusted in such a way that the greatest good will result to those most entitled to benefit, then hon. members will see that the amendment gives power to the governor in council to cause the suspension of the agreements or any one of them in the meantime. I believe that the amendment is the best that can be fashioned to prevent great confusion in the change-over from the present system to a system of employment that will fall within the principle and intention of the legislation.

Mr. EULER: Are we to understand that this amendment meets with the practically unanimous approval of the men concerned and of the employers also?

Mr. GORDON: Their representatives, yes. They were present at the conference.

Mr. HANSON (York-Sunbury): That is our understanding.

Amendment agreed to.

Section as amended agreed to.

Mr. NEILL: Before the bill passes—I think this is the last section?

Mr. GORDON: Yes.

Mr. NEILL: I would ask the minister if he would consider having the amendments reprinted for third reading, as suggested by the hon. member for Lisgar (Mr. Brown) in connection with another bill? This is a complicated bill, the amendments are strung over four or five different Hansards, we would have to pack a whole grip full of them around to explain the bill properly.

Mr. GORDON: I think the suggestion is a good one. I shall take what steps are necessary to have the bill reprinted with the amendments.

Bill reported.

ECONOMIC COUNCIL OF CANADA

ORGANIZATION OF BODY TO COORDINATE WORK OF DEPARTMENTS AND TO INVESTIGATE AND ADVISE UPON SOCIAL AND ECONOMIC PROBLEMS

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to establish the Economic Council of Canada and to provide for the employment of such officers and employees, and for the payment of such expenses as may be necessary to carry into effect the proposed legislation.

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

Sir GEORGE PERLEY: The object of this resolution is to establish a body to coordinate the work of the various departments of government and make more effective use of the ability and energy of the higher civil servants now in the employ of the dominion. I need hardly tell the committee that we have among our civil servants a large number of very high class men, men who are well-educated and capable in various directions and who at the same time have an appreciation of the best methods and commonsense ways of dealing with things. They are students perhaps in the first instance, but the fact of their having been connected with the government here has given them other ways of looking at these things. They have a special knowledge of our economic problems, and we believe the setting up of this economic council, will, as I said, enable us to use their energies to better advantage, and will also save time and labour for members of the government of the day and especially of the Prime Minister. For this reason this economic council is placed under the Prime Minister.

It has been evident for many years that the ministers of the crown have too much detailed work to attend to, and that the Prime Minister especially under our system has far more to do than any one man should have. Many years ago when I was first a member of the government of Canada we talked over this very question of the organization of the civil service and the work that was imposed upon members of the government, and the Borden government of that time decided to investigate this question. We looked around and picked out, we thought, the very best man that we could find in the world at that time to come here and give us advice on the subject. That man was Sir George Murray, who had been for many years the secretary of the treasury, the permanent head of the treasury in Great Britain, and who as everyone in this committee knows is the chief civil servant of Great Britain and their doyen. Sir George Murray spent quite a long time here and made an exhaustive report which contained very many useful suggestions. Among other things he was very definite in his statement that ministers of the crown and especially the Prime Minister undertook too much work and that it would be better if we followed a little more the system in vogue in the mother country of allowing the civil servants and the secretaries of the ministers to deal definitely with more questions than they were permitted to deal with here at that time.

Unfortunately the war intervened and, as was the case with many other matters, this report was lost sight of, so nothing has ever been done about it. That was twenty-three or twenty-four years ago, and since that time the work of government has vastly increased. My right hon. friend and other hon. gentlemen opposite who have belonged to the government, as well as my colleagues on this side, will agree with that statement. More

and more the government are being compelled to take cognizance of business questions and other matters which interest the country as a whole. Of late the newspapers have been referring to this, particularly since the Prime Minister has been under the weather. No doubt the Prime Minister's illness is due in large part to the heavy work he has had to carry on in the last four or five years. The newspapers have been commenting on this fact and drawing conclusions from it, with which in quite large measure I agree. It is believed that more assistance should be obtained from the permanent civil servants, and the bill I hope to introduce later on is intended to meet that situation to some degree.

This economic council can be given any work to deal with or any question to consider which the Prime Minister thinks it would be wise to have them look into. For instance, I fancy that everyone here will agree with my view when I say that perhaps one of the most difficult questions the world has to face to-day is the overgrowth of our cities, the fact that, naturally enough, people drift into the cities. That is due to the attractions of the cities, the bright lights on the main streets, the cinemas, the street cars and so on.

Mr. BOUCHARD: The high tariff.

Sir GEORGE PERLEY: I think the hon. gentleman must have an obsession on the subject of high tariffs, but I do not think that takes people into the cities. I wonder what remedy can be found for this situation.

Mr. McINTOSH: A change of government.

Sir GEORGE PERLEY: The hon. gentleman suggests a change of government. I would expect him to say that, because he has no other solution to suggest; he keeps harping on the one string. Why not suggest something else?

Mr. McINTOSH: That is a very good solution.

Sir GEORGE PERLEY: Yes, from the point of view of the hon. gentleman—

Mr. McINTOSH: And of the people.

Sir GEORGE PERLEY: I have no doubt it would suit the hon. gentleman very well but I would feel sorry for the people if that happened.

At all events, Mr. Chairman, that occurred to me as an example of the type of question that might be referred to this council, the finding of some solution which would lessen the number of people in the cities and keep a larger number on the land, not for the purpose of raising wheat or some other commodity for sale but for the purpose of making a living on the land, as our forefathers did and as the habitants of Quebec do at the present time. I fancy that would be a fair question to submit to this council which will be set up under the act I propose to introduce if the committee accepts this resolution. This bill has been preceded by a resolution because there is a small expenditure involved. That expenditure, however, really will be insignificant, since it is expected that those who serve will do so in an honorary capacity, and the functions of this economic council will be purely executive and not in any way administrative.

I fancy it is a platitude, Mr. Chairman, to say that the most pressing problems of the day are economic. We have provided for research in the natural sciences; some years ago we established an industrial research council, which is located in a fine new building in the lower end of the city. But I think we may say that the next few years can be more profitably employed in research into economic science. It is true that of late years a great deal more attention has been given economic investigation. In many countries there are private agencies carrying on such investigations; in some countries wealthy men have endowed this research work under various foundations, and as we all know this work is being rapidly extended. In addition there have been governmental organizations of various kinds to deal with economic questions. During the last three years there have been full dress debates in this house on this subject, and I believe the last resolution dealing with it was introduced by the hon. member for Red Deer (Mr. Speakman). I should like to congratulate the hon. member upon considering the matter as he has done and giving it so much study. This is an important matter and I believe all hon. members are grateful to him for bringing it up. When the resolution to which I have referred was under discussion in January last, speaking at the conclusion of the debate the Prime Minister said:

> I do suggest to the hon. gentleman that the purpose he has in mind has been served, and while congratulating him and the other members of the house on the contribution they have made as to the value of scientific knowledge being applied to the nation and its affairs, as scientific ideas are with respect to the transaction of ordinary business by the various concerns carrying on the trade and commerce of the country, for those reasons I think the resolution might be withdrawn.

It would appear the hon. member for Red Deer agreed to the withdrawal of his resolution. We now have before us another resolution having for its purpose the betterment of conditions to which the hon. member referred.

Perhaps at this time I would do well briefly to review past policies and future requirements for the strengthening of our governmental machinery. Research falls into two sharply differentiated categories (a) research in natural sciences and (b) research in social and economic sciences. The purpose of this measure is to promote the latter aim, and is done if not wholly at least largely through the use of statistics. The term "statistics" has been defined as a science which treats of the measurement and interpretation of social and economic phenomena both as a whole and in separate manifestations.

A government is broken into various departments, each with a more or less specific function, and I submit that there is need for coordination and an omnibus point of view in economic policies. For the coordination of research in the natural sciences, the National Council of Industrial and Scientific research has been established. Similarly, on the economic side, which involves entirely different legal powers and technical methods, the coordinating problem was fundamentally attacked in 1918 when the Dominion Bureau of Statistics was set up.

In passing I believe it is only fair to say that the Dominion Bureau of Statistics has done first class work and must receive commendation from every person who has to do with it. This bureau supplies statistics which are absolutely trustworthy and available for every person. The policy of statistical research was inaugurated as the result of an inquiry made in 1912 by a royal commission. To-day however I submit to the committee that it is essential for us to go further and work from a wider and all-embracing viewpoint. This, we are doing in the present measure.

I believe between twenty-five and thirty countries have now set up bodies of this kind. They may be divided into two broad types or categories, namely those having more or less definite executive functions and those created for advisory purposes alone. These bodies are of various types, some being purely consultative and some having almost unlimited executive functions. The Economic Advisory Council of Great Britain was constituted in 1930 for advisory and research purposes only. It is given authority "to advise His Majesty's government in economic matters, to make continuous study of developments in trade and industry, and in the use of national and imperial resources. . . and of all aspects of national, imperial and international economy with a bearing on the prosperity of the country."

An economic advisory council is primarily an agency for inquiry and report. It is desirable to emphasize the point that it is not an agency for determining policy; policy must be determined by the government. It is not an agency for administration; administration must be the work of departments and commissions and does not fit in well with the central purpose of the advisory council, namely that of inquiry. While it should contribute towards a more considered and ordered planning of governmental affairs, is it not an agency for controlling the economic activities of the nation.

I have some references before me which, with the permission of the house, I should like to place on Hansard. These are extracts from reports which have been made regarding this particular matter. I find that in 1931 Sir Arthur Salter, who is director of the economic and financial section of the League of Nations, was consulted by the government of India with regard to the creation of a new economic organization in India. I quote the following from his report:

> The period since the war has witnessed the development of what may prove to be an important adjunct to the machine of government throughout a large part of the world in the form of advisory economic councils and committees. These vary considerably in functions and in form; but they present certain common characteristics and seem to respond to a widely felt need in the post war world. The state's action in connection with the national economic life has almost everywhere become more extensive and more complex. Whether in the increased range of state control, or the construction of new and more complicated tariffs, or the institution of systems of prohibition or licence or state encouragement for some form of monopolies, the government has almost everywhere accepted more onerous and intricate duties.

I shall not read the whole of these observations. Skipping a portion of them I read:

> The purposes vary largely, however, from country to country, and, with them, the form of organization. No system effectively serves them all.
>
> (a) The existence of a council composed of those with experience in every main sphere of the country's economic activity, established under legislative authority and, under varying forms, in effective contact with the government, often helps to secure greater coordination and unity of national policy. This is a real need because whatever the administrative organization of a particular government, most specific economic problems tend to cut across departmental frontiers.

That is to say, hon. members are aware that questions may arise which hold the interest of three or four departments of government Some way must be found carefully to consider the views of these various departments. Then to continue:

(b) The new institutions may in several ways lead to an improvement of the statistical and commercial intelligence machinery which is available for the purpose of following the development of events and thought, both at home and abroad, and which thus affords a basis of statistical and other facts for the examination of current practical problems.

The report continues:

(c) A third, and usually more prominent, purpose which is served, is that of securing the investigation of special economic problems, of current importance, by the best qualified experts including both economists and persons with business and other practical experience. This purpose is well illustrated by the British Economic Advisory Council.

In 1928 the Liberal Industrial Inquiry in Great Britain brought out a report entitled "Britain's Industrial Future" which contains a chapter warmly endorsing the idea of what is termed "An economic general staff." I quote from that report:

The problems of modern government have become more numerous and more technical. Parliamentary time, to an increasing degree, is occupied by questions which are primarily economic rather than political in the older sense of that word. Government departments have been subdivided and new administrative bodies have been brought into existence, not because of any bias towards bureaucracy, but by the sheer pressure of evolution in an industrialized nation. No matter how firm the determination of any government to avoid interference with industry, it finds itself called upon to remove difficulties from its path or to assist it. In any case, it is driven to recognize that in modern conditions its policies necessarily affect industry.

Nevertheless, the cabinet has no body of skilled advice on which to depend. The result is that troubles ahead are not anticipated, and, when they arrive, solutions to meet them are hurriedly improvised. Or, if competent commissions are appointed to study them, their reports come too late. Ministers and departments of state are necessarily concerned in the main with daily events and with the task of carrying on. The big problems of economic policy are only theirs when they are becoming ripe to be the subject of actual administration or legislation. It is, therefore, a vital need for a modern state to create a thinking department within the administration, which shall warn ministers of what is ahead and advise them on all the broad questions of economic policy.

As the problems of government become more technical, expert knowledge on them must be at the disposal of the government. It is not the duty of experts to decide matters of policy. But it is the duty of those who are responsible for important decisions to make the fullest use of expert analysis and of expert statements as to the results which may reasonably be anticipated from this line of action or from that. It becomes more and more clear to the student of affairs, and indeed to the public, that many of the mistakes and blunders made by governments are due, not to ill-will or prejudice, but to sheer unpreparedness and ignorance. A list of the major problems which governments holding office since the war have had to face illustrates the need of systematic thought in advance of executive decisions. There have been problems of a new kind as well as of unforeseen magnitude.

I omit the next clause, and would quote this paragraph:

Many of them are inter-departmental; and it has not been clear whose duty it is to exercise initiative or foresight. What is clearly required is that the cabinet should have at its disposal the best advice based on the fullest knowledge, and that the country as a whole should know that economic tendencies are not merely being recognized when some crisis occurs but that they are being constantly watched and studied, so that the government of the day may have a chance of averting difficulties and of meeting them with adequate measures.

Mr. SPENCER: May I ask what the right hon. gentleman is reading from?

Sir GEORGE PERLEY: Perhaps my hon. friend did not hear me; I am sorry. I am quoting from a report entitled "Britain's Industrial Future" made by the Liberal Industrial Inquiry in Great Britain in 1928. I have read those extracts to the committee because they show that this question has been receiving most careful thought in the old country, and I may add in almost every other country in the world. I submit for the consideration of hon. members these extracts that I have read, setting forth what seems to be a self-evident situation, and we hope that the arrangements that are proposed in this bill will help to meet these problems.

It seems to me, Mr. Chairman, that with these preliminary observations the bill requires little explanation. When we go into committee upon it, I shall be glad to answer as fully as possible any questions that are asked. Although it is perhaps not in order to discuss the details at this stage I may say that the proposed bill sets up a council of fifteen, under the Prime Minister, recruited from three categories: (a) government officials; (b) representatives of organized economic bodies, and (c) experts. It may be that a good deal of the work of the council will be done by special committees created ad hoc which can work simultaneously on different problems allotted to them. This

will make it possible to keep down the numbers of the council and to secure participation in its work by men who might otherwise not have the time to spare for a number of detailed inquiries.

The machinery which is in this way going to be provided will, we all hope, solve for some time to come what has undoubtedly developed into a prime need of government, that of keeping abreast of economic thinking in general and of being continuously equipped with the materials required in the formulation of its broader economic policies, and of having more definitely recognized machinery to that end. The plan outlined, we believe, by a combination of the pertinent features in other plans will avoid pitfalls which have been encountered elsewhere. Some of these attempts at economic councils have not worked out elsewhere as we would like to see them work out in Canada.

As I said before, this proposal involves a minimum of new machinery and expense. We believe it is an effort in the right direction and that it will produce good results. This suggested council, it seems to me, is important also because of the stimulation which it is hoped it will afford to private economic research; that is to say, private economic research will be encouraged to go on as well; and it is important also in view of the opportunities it will hold out to the universities and to students of economics at large for an understanding and a liaison with those who are on the council, and for thus uniting and pooling the results of economic thinking throughout the dominion.

It is expected that the cost of the council will be comparatively little. The services of the council proper will be honorary, and only a small clerical staff will be needed. Most of the work will be done by experts, who will be brought in temporarily in connection with the subcommittees to which I have already referred.

If this bill becomes law it is the intention to call the council together as soon as possible, and to undertake a program which will not only deal with broad and general economic trends but will also tackle a number of specific economic problems.

I have endeavoured, Mr. Chairman, to give the committee an idea at not too great length of the purpose of this proposed legislation and of what we hope will be accomplished by it. When we are in committee on the bill and hon. members have the bill before them I will endeavour to make any further explanations that I may be asked for.

92582—114½

Mr. MACKENZIE KING: Mr. Chairman, I would prefer to wait until I see the bill which is based on the resolution before saying very much in regard to the proposal itself. I might say just a word or two now arising out of the remarks of the acting leader of the government, inasmuch as they give what purports to be the purpose underlying the measure, and to a certain extent provisions of the measure itself.

As to the purpose of the economic council which it is intended to create, I gathered as I listened to my right hon. friend that it was first of all proposed to be in the nature of an advisory body which would be able to assist the Prime Minister in the discharge of his onerous duties, and that it would come under the direction of the Prime Minister himself. There seemed to be the other purpose, which is that of research—a body that would be concerned primarily with research into social and economic questions—and as such would be made up of or avail itself of the services of members of the public service whose efforts and work would be supplemented by experts from outside.

Both purposes I think are not only worthy but necessary ones at the present time. I think there is need, in connection with the Prime Minister's office, of provision for more effective advisory assistance to whoever may be holding the office. I think also it is necessary at this time that some body should have as its special duty the work of research into economic and social questions. What I am in doubt about is as to whether these two functions can best be combined in the manner evidently intended in the bill that is to be introduced.

The acting leader of the government has said a word about my possible sympathy with and understanding of some of the duties of the person, whoever he may be, holding the office of Prime Minister. May I avail myself at the moment of such experience and knowledge as I had while in that office, to say just a word on this very proposal. What I think is not generally realized with respect to the Prime Minister's office is that it is the only office in which a minister of the crown finds himself isolated without assistance such as is to be found in other departments of government. The Minister of Railways, the Minister of National Defence, the Minister of Agriculture, the Minister of Trade and Commerce, any other of the ministers of the crown when they are appointed to office find, on entering upon their duties, a highly trained staff immediately available. There is a

deputy head who in most cases has been familiar with the work of the office for years, there are important heads of departments; and there is the complete staff which is necessary to carry on the work. But a Prime Minister goes into an office in which there is no one and he is expected to be able to deal with questions of government relating to practically all departments, and to deal with great questions of state from day to day and, when parliament is in session, from hour to hour, and he has no one in his office to whom he can turn to assist him in that particular work apart from those who are referred to as his secretaries.

I would point out that the work of a private secretary to the Prime Minister ought to be much the same as the work of private secretaries to other ministers. It should not be work which will combine the duties of a deputy head, of the secretary of a department, and of expert advisers in different branches; it should be confined to those immediate duties which we commonly associate with the work of a private secretary. It seems to me that the handling of a Prime Minister's correspondence and the necessity of arranging for interviews, to say nothing of also interviewing persons who come to see the Prime Minister on various questions, are of themselves sufficient to absorb all the time which two or more able and efficient private secretaries can give. But over and above that which is a part of every day routine, the real work of the Prime Minister himself is with the larger questions of government which are related to world affairs and the affairs of different departments of state, and in that regard he is totally without the kind of assistance which other ministers have in their departments.

What is really needed in connection with the Prime Minister's office is the appointment of two or three highly trained and able men who possess qualifications and might be in a position to serve as advisers to the Prime Minister on the questions that are certain to occupy most of his time. Of these questions, undoubtedly social and economic problems will be one of the most important. But I doubt very much whether it will relieve the Prime Minister of the heavy duties of his office to have added to his other obligations that of being responsible for the work of an economic council which will be composed of fifteen persons, some of whom are in the civil service and others who are brought in as experts from without. A body such as that might more appropriately, it seems to me, be brought into relationship with the department which now exists for the purpose of research. At the moment the national research council is giving its time primarily to scientific research; but why there should not be arranged, as a branch of that body or an allied body the kind of organization that is here suggested, I cannot see. I have in my hand a copy of the Research Council Act—

Mr. GARLAND (Bow River): Does not the leader of the opposition think that the type of research carried on by such a council as is proposed would be different from the type of research carried on by the National Research Council?

Mr. MACKENZIE KING: No, not as to the machinery and organization required. In my opinion all research demands the same kind of qualities, and I think that the machinery or kind of organization found most effective for research in one—

Mr. GARLAND (Bow River): But one is deductive and the other inductive.

Mr. MACKENZIE KING: Both require highly trained intelligence and those habits of research and processes of reasoning that are cultivated by men whose time and thought are given to study. They are different qualities of mind from those required for administrative work, but research into economic and social questions in what it requires of processes of reasoning is to my mind altogether similar to research in any other branch, whether it relates to medicine or any of the natural sciences or any other branch of knowledge. It is a branch of knowledge. I do not say that the same laboratories will be used. In connection with social science, the laboratory may be the country, the methods of study or research are the same. They are the methods of minute and detailed investigation with deductions therefrom. The methods followed in postgraduate study in the great universities include in some instances these very social questions and are wholly similar. The phenomena are different and the scope of inquiry may be different, but the methods of work are very much the same.

I favour the idea of a council or some organized body that will be engaged in research on social and economic questions, but I think it will function much more efficiently as part of the national research organization which has already been formed. I do not say that the officers need necessarily be the same. Let it be organized on its own. But to form a council and make it a body which the Prime Minister of the country must be

responsible for will, I think, add tremendously to the Prime Minister's obligations instead of relieving them.

Mr. WOODSWORTH: I do not want to interrupt the leader of the opposition, but he has wide experience in organization work of this kind. I was going to ask him whether such a body could not be more closely related to the bureau of statistics which already carries out considerable special work.

Mr. MACKENZIE KING: What I was going to say was this, and the remark of my hon. friend bears out what was largely in my mind: If I were asked what would most assist a prime minister to-day in his onerous duties of government, I would say give him the opportunity to select two or three men in whose ability, judgment and discretion he has every confidence, have one of those gentlemen an adviser on social and economic problems and another to deal more particularly with state affairs that concern different departments of government and require the bringing together of the work of different departments in connection with matters on which the prime minister may wish to have the benefit of wider knowledge and advice, and allow those gentlemen to have a responsibility for using the public service in the way that will best serve the office of the prime minister. If the question is one of research into some matters of statistics, it should be possible for the prime minister to call upon the Bureau of Statistics to do whatever is needed for the government in connection with reports on statistical matters. If it is research into some other economic question, for example, the extent of wheat production and problems relating to wheat, it ought to be possible for the prime minister to call upon any department or group of officials of government to undertake that work. But I believe the work will be more effectively done, not by seeking to have one group or council which will have to deal with all classes of questions that may come up, but rather by having the machinery such that at any moment any particular branch of the public service may be drafted in to perform a special duty, supplementing its efforts by expert opinion from different sources.

Sir GEORGE PERLEY: Will the right hon. gentleman permit me for a moment? I am very anxious that we should see eye to eye in regard to the machinery for this council, and I may say, in regard to the last remark made by the leader of the opposition, that as I understand the matter, the problems of various departments will be dealt with in that way and that what we may call ad hoc members will be taken on for the purpose of discussing and reporting on any particular question that has to do with Trade and Commerce or Agriculture or whatever department it may be. I think he will find the bill is all right in that respect.

Mr. MACKENZIE KING: Of course I am discussing the matter in a very general way and without any knowledge of the provisions of the bill. It may be that when we see the bill, some of my remarks will not be applicable. But what I am seeking to give to the committee at the moment is just the result of the remembrance of conditions as I experienced them when in office and as I believe the present prime minister has experienced them since he has been in office. To add to the present Prime Minister's many duties that of being responsible for the work of an economic council is not going to lessen, it is going to increase his duties, and for that reason I think any such action would be a mistake. But for this house to provide the Prime Minister of the country with two or three highly trained men in whose judgment he has confidence, who can be the instruments to help to bring to him the information that is needed with respect to great problems of government and who will be recognized as having authority to utilize the public services generally to that end, something of that kind would be of the greatest possible benefit. My right hon. friend is familiar with the position held in England for example by Sir Maurice Hankey. If we had in connection with our public service a gentleman holding a position similar to that which Sir Maurice Hankey holds, attached to the prime minister, a gentleman in whom the prime minister and ministers of the crown generally would have great confidence, who on behalf of the prime minister would be continually cooperating with other ministers of the crown in the assembling of material on matters that relate to great questions coming before the ministry for consideration, and who would be recognized as having authority to command the assistance of the public service generally, I believe such an official could be of tremendous help. But I do not believe a prime minister is going to be materially assisted by our increasing machinery for which he will be responsible. Where he will be assisted in a very real way is by giving him the aid of two or three men in whom he has every confidence, who will not be regarded as secretaries, who will not have the duties of stenographers, but who will be men of highly trained minds and intelligence and able

quickly to assemble and to assimilate the material which is needed for a discussion of public affairs. That would be the step which I believe would be most helpful to a prime minister.

As to the other function—and I think the two have to be kept separate—of research into social and economic questions, I am wholly in favour of some small body in the public service being responsible for seeing that that kind of work is carried on continuously, and in accordance with known and proper methods, and of giving to a body of that kind an opportunity to add to its numbers from time to time with respect to the different questions that may come up. But I think such a body as that would be much better associated with a national council such as already exists, than it would be with the prime minister's office.

There is one other observation I should like to make at this moment, and it is this: I do not know what is contemplated in the way of appointments or staff, but while it may be alright for this house to consider the matter of machinery, and the provisions of a bill to meet the ends suggested, it would not be expedient before another parliament is elected for any appointments to be made to a body of this kind. The essence of the value of any advisory body is the degree of confidence that those who are responsible for its work may have in those who compose its membership. If the purpose of this bill is simply to enable the government to select out of different departments those who may be its particular favourites at the moment and to award them positions which are to continue for the next few years, then I say that the government is making a mistake in attempting anything of that sort.

Mr. GARLAND (Bow River): Is not a still more important question the character of the investigations that they are to be directed by the government to undertake?

Mr. MACKENZIE KING: That is equally important, but there again that is a matter of ministerial responsibility. If this bill is intended to take away from the government its responsibility for the investigation of social and economic problems and to place that responsibility on the shoulders of some group to be specially named for the purpose as an economic council, then I think it will be but another step in the way of getting away from ministerial responsibility and I would not be in favour of it. I am not sure that the measure may not tend to have that effect. As we all know, throughout the world to-day there is a tendency for governments to relieve themselves more and more of responsibility, and more and more to place responsibility on selected bodies for the purpose of relieving governments of some of their duties in public matters. If the measure is so intended I would think it inadvisable to have it enacted. A measure of this kind might more appropriately have been brought in at the first session of a new parliament rather than at the last session of an old parliament. But as it is coming at the last session of an old parliament, then so far as appointments under the measure are concerned they should be left until after a general election, when whatever administration may be responsible for carrying on the work of the government will have opportunity of appointing those for whose appointment they will have to be responsible and in whose judgment they will wish to have every confidence.

Mr. SPEAKMAN: At this stage and without knowledge of the bill itself I shall speak very briefly; I shall not attempt to deal with what might be termed the machinery or the details. The suggestion itself I welcome in principle; that is, I welcome first the recognition by the government of the principle that economic and social problems are worthy of much greater and more concentrated study than has been given them up to the present, and second the principle that this can best be done by giving at least a degree of responsibility to a body of men to carry on that work. From the discussion so far I am not sure what will be the real form or functions or purpose of this body. It has been suggested that one of its chief functions will be to assist the Prime Minister. Well, I am in the fortunate position that I have had no experience as prime minister, and never shall have any—

Mr. MANION: Why not?

Mr. SPEAKMAN: —but I have watched prime ministers in action, and I am satisfied, and I think it will be a sentiment agreed to throughout the entire house, that undoubtedly some assistance should be given to relieve any prime minister of the growing burden of detailed work which now rests upon his shoulders. I have not always seen eye to eye with the present Prime Minister; that could hardly be expected as I have always come into the house by defeating one of his supporters. At the same time I think I express what we all feel when I say, first, that we deeply regret the Prime Minister's illness and his absence, and second that we recognize that in large measure that absence has been forced upon

him by the fact that for the past four or five years he has been trying in all sincerity and in all courage to do two or three men's work.

Some hon. MEMBERS: Hear, hear.

Mr. SPEAKMAN: Anything which will take some of that load from the shoulders of any prime minister will be all to the good.

But as I conceive it the principal purpose in the formation of such a body as is proposed goes much further than that, unless indeed the function of advising the Prime Minister be interpreted in its widest possible sense. The Prime Minister is of course the head of the government, and advising the Prime Minister is in effect advising the government itself as to matters of major policy, placing before the government through the Prime Minister information necessary to enable that government to come to wise conclusions. Viewing the matter in that wider sense I assume that the function of advising the Prime Minister does include almost the entire functions of an economic council. It would be difficult for me to divide those functions into the two classes suggested, advisory and research. Advisory, certainly, but based upon what? Based upon the most intensive research into the problems, upon the widest possible knowledge and the most comprehensive study of the entire situation. I can conceive of no advice which would be worthy of the name unless it was preceded by and based upon that intensive research into the social and economic questions which I understand would be the first and primary duty of such a body. I shall not comment on the suggestion that has been made that to a large extent the body proposed by the present resolution will simply be an interdepartmental body to correlate the activities of various departments and coordinate the information which will be found therein. That would be a most useful function, but far from meeting the necessities of the case. However as that will come up in considering the bill itself, when the machinery will be discussed in more detail, and the method of appointment and principle of representation upon that council may be understood more clearly, I shall reserve comment upon that phase until that time.

I should like however to indicate very briefly some considerations which were before me and those who agreed with me when this matter was brought before the house on former occasions, because as the acting Prime Minister has said this is a matter to which I have given some consideration. Indeed I think I have had the honour of introducing the suggestion in concrete form into the house on several occasions. I am glad to see those suggestions are bearing fruit. I may say at once that I am not so vainglorious as to believe that this bill is being introduced because I made the suggestion; at the same time there is a satisfaction in seeing that at that time I was interpreting public opinion and outlining a need, and that that need is now recognized in the house as well as throughout the country.

As to the work which might be done by such a body, the subject is so vast as to be approached with some trepidation, and touched upon only superficially in any address; and I have no intention of making an address at this time. I have on other occasions stated most of my general opinions on the subject. I listened with much interest when the acting Prime Minister mentioned one of the problems which might be referred to such a body, that of the trend towards the cities and the relative depopulation of our rural areas. While I agreed with him fully as he proceeded to indicate that the question of moving men into small self-supporting holdings in the country might be one subject of research, I thought if this were as far as the economic council would go in studying that problem it would fail utterly in its function.

Sir GEORGE PERLEY: Will the hon member permit me? That is only one point—

Mr. SPEAKMAN: Oh, quite; I have no intention of suggesting that the acting Prime Minister limit the inquiry into the problem to that somewhat superficial aspect. I suggest that a study of that question must embrace most of the economic troubles that beset this nation, because you have to find out not only some way of distributing the surplus population from the city, but why there is this trend. The cause will be found to embrace the relative standards of living and the entire question of our industrial and distributive system, and to involve the whole subject of education and the varied opportunities which are afforded people in the rural and urban areas. I was disappointed—perhaps not disappointed but to say the least, surprised—to hear the suggestion that that trend might be stopped were a change of government to take place. Any such suggestion shows a very shallow knowledge of the situation, because that trend has prevailed under every government and in every country. It was taking place with just as great acceleration in the nine years preceding 1930 as in the four or five years since; it is dependent on no special government being in power, and is far beyond any question of party politics. Its causes go far deeper than that; they go

to the very roots of our modern civilization, our industry and our agricultural system. I venture to suggest that in connection with that very problem the economic council would be obliged to investigate a subject which I think above all others should be investigated, the distribution in a proper way of that which we can produce and the relationship of finance and other factors to that distribution. This opens up a very wide field, and that is why I have in mind something perhaps a good deal more permanent and a good deal more important in the future than is visualized by the acting Prime Minister in this beginning. I quite realize the fact that the last session of parliament prior to an election is no time to set up wide and extensive machinery of any kind which might take over functions hitherto either unperformed or considered governmental. May I say at once that I only welcome this as the acorn from which a much larger tree may grow. I should like to see—and I hope this will be the germ—not a body composed mainly of departmental officials but a body truly representative of the problem itself, a body as permanent in its nature as the national council on technical and scientific research.

I am not going to compare those two problems. The acting Prime Minister has well said that economic and social research and all the problems related to that question are far more important and deserving of far more attention on the part of any government than are the problems of scientific research. The acting Prime Minister did not go quite that far, but that was the suggestion. I have said before, and perhaps it will do no harm to repeat it, that while technical and scientific research is carried on in many branches and in many places under private enterprise and initiative, because the results of that research may be reflected in increased profits, increased dividends or increased comforts to those engaged in the research, in the case of the corporations or firms carrying it on, properly speaking this question with which we are now dealing is one which affects primarily the state itself, society as a whole, not one individual particularly or primarily, not one firm or corporation, but the state as such. The solution of these problems would be reflected not necessarily in increased profits or dividends but in higher standards of living and better living conditions for the people as a whole. That means that there is only one body which should become primarily responsible for making that research possible; that body is the state, which represents all the people and society as a whole.

[Mr. Speakman.]

I must confess, though I speak always with deference because of my more limited experience, that I cannot agree with the suggestion of the right hon. leader of the opposition that this council should be made a branch, as it were, of the present national council on scientific research. I agree entirely with the suggestion of the hon. member for Bow River; indeed I think I have made that suggestion myself, that while in one sense the problems are similar, there is a vast difference between the two. It is a question of knowledge and research and of the application of knowledge which has been obtained, but the methods are different, the subjects are different, the very bases are different. I agree at once that somewhat the same type of mind is required, that type of mind which, regardless of whose toes are trodden upon and regardless of how many existing prejudices may be upset, will search and delve until it reaches the truth and will bring in conclusions based upon that truth. I agree that the true scientific mind is required in both cases, yet I do suggest that the training of the mind and the objective are wholly different. More than that, the very basis is different. When you are dealing with scientific and technical research you are dealing with factors which may or may not be known but which, when found out, are tangible, immovable and certain; they are exact. In the realm of economic and social science you are dealing with something intangible, in regard to which differences of opinion will exist; you are dealing with questions on which at present few men agree. We have different schools of economic and social thought, and I may suggest that some of those schools of economic thought, some of those who are seeking a remedy for our present ills, hate each other worse than they hate the common enemy. So long as you have that frame of mind you cannot have the exact, scientific attitude brought to bear upon the problem which is essential.

Moreover I believe that the nature of the problem itself is so important and its scope so tremendous that it well deserves a separate establishment known and honoured as the national council of economic research, with its attention diverted to no other matters and with full power to carry on its activities. Further may I express the hope that we will see in this country not a body which will usurp the authority of parliament—I have never suggested that such an economic council should have the executive authority to put its findings into effect—but a body speaking with authority based upon knowledge, and after all upon knowledge alone can true authority be based. I hope this will grow

out of the present proposed legislation. I hope we shall have a body speaking with authority and taking the responsibility of advising the government as to what policies would be most beneficial. Naturally any government and any parliament must take the responsibility of putting into effect and enforcing those policies. I am not suggesting in any way that the rights and responsibilities of parliament and of the government should be upset or usurped by any such body, but I am suggesting that governments and parliaments to-day are functioning, passing laws and taking action often on a basis of either ignorance or inexact and inaccurate information, and I believe this would do something to remedy that condition. I am not worrying just now about the welfare of any party, because I think after all that is a very trivial matter. I am hoping that out of this legislation as time goes on and as the idea develops, takes root and is accepted, as I believe it will be accepted, with acclamation—and the wider its spread and the deeper its roots the greater the acclamation—we may reach that point which we must reach or our problems will not be solved, that point when in parliament and out of parliament we can discuss these social and economic problems, which are of such overwhelming importance, on their merits, on a basis of knowledge and without the interjection of partisanship and political feeling. Perhaps that is too much to hope for, but at least it would take away some of the stigma and some of the stain of partisan politics if that information were at the disposal of the house and the government which must take the responsibility for introducing the legislation.

Perhaps I need say no more just now; after all this is only the resolution stage and I cannot tell, nor is it right for me to anticipate, to what degree and in what measure the legislation itself will bear out what I have said. In closing, however, may I say that I welcome this move because I see in it the adoption of a principle, the germ of an idea, which although it will be small this session, for good reason, perhaps may grow until it will form one of the most dominant and important factors in our modern civilization. The scope of the work to be done is enormous and the number of subjects to be investigated is legion. As I close I would suggest also that this is not merely a matter of searching out statistics and facts, important and all essential though those may be. I yield to none in my admiration of our bureau of statistics, which I believe to be one of the most efficient in the world to-day, much of its information being useless because no use is being made of it. But if this were only a matter of delving into statistics and stating and correlating known facts, it would be but a barren move. Eventually we have to place on such a body the responsibility for the drawing of deductions and the correlating not only of facts but of opinions, and the responsibility for at least trying to think out something we have never thought out before, namely, what is going to be the final effect on the public weal of those different lines of isolated action. We have in Canada a number of outstanding illustrations indicating the need for a body such as I have described. I am not going to refer to that bete noir of the house, the transportation problem, nor shall I refer to many other matters. I should however like to mention one basic problem which may have caused more trouble for Canada than any other: I refer to the two divergent and conflicting policies which have been followed in Canada ever since western Canada was opened up. One policy encouraged by governments and by all who were interested in development was to make of western Canada a huge wheat exporting country. The western country was developed on that basis, and apparently every political party—and I am not now blaming the parties—parliament itself forgot that when accepting this as a paramount and foundation policy they were making of the west an agricultural country dependent upon huge exports for its existence. Side by side with that we attempted to build up within Canada the conflicting policy of a self-supporting industrial system. I submit that these two policies are mutually destructive; you cannot have both. Perhaps the source of some of our greatest troubles in making trade agreements and trade pacts and in getting reasonable tariffs, find their root in the fact that parliament went in two different directions, attempted to establish two different lines of policy, one of which was subversive of the other. You cannot have a country producing huge quantities of agricultural products, quantities normally in excess of its domestic needs, and at the same time have a self-contained industrial country which is not prepared to import the goods which must be accepted in exchange for the farm produce exported.

Again I am not suggesting that such a council should assume the responsibilities of parliament or of governments, but I do suggest that had a council been established many years ago and been given authority to make effective recommendations, the power to go into the facts and point out what would be

the results, the power to give guidance to parliament in what I consider was at that time a foolish and mutually destructive course of action, it might have prevented much of the disturbance and trouble we now find in Canada. One party in this chamber I am afraid cannot shake the finger of scorn at another, because the same policies have been followed by each and by parliament as a whole. Further than that, those policies have been supported by the people as a whole who thought they could visualize the ideal of a huge exporting country on the one hand and a self-contained industrial country on the other.

I suggest that is the kind of work which an economic council properly constituted and properly functioning might well perform. It could make suggestions to parliament and to government as to real lines of governmental and state policy which would result in reasonable balance and reasonably happy functioning. To-day one of the problems has been suggested by the acting Prime Minister, but the basic problem, that of making use of the abundance we can produce, to my mind lies at the root of our difficulties. This problem should be studied and examined impartially and free from partisanship or prejudice, so as to ascertain whether or not we may solve what has become not only a problem but a menace to ourselves and to civilization.

Mr. POULIOT: The resolution provides for the appointment of an economic council. I say we already have one, because when I turn to page twenty-five of the parliamentary guide I find that we have first, the Prime Minister, President of the Privy Council and Secretary of State for External Affairs; second, Minister of Justice and Attorney General; third, Solicitor General; fourth, Minister of Finance; fifth, Minister of Railways and Canals, who is also in charge of tourist traffic; sixth, Postmaster General; seventh, Minister of Public Works; eighth, Secretary of State; ninth, Minister of Pensions and National Health; tenth, Minister of Marine; eleventh, Minister of the Interior and Superintendent General of Indian Affairs; twelfth, Minister of Labour, Mines, and acting Minister of Immigration and Colonization; thirteenth, Minister of Agriculture; fourteenth, Minister of National Revenue; fifteenth, Minister of Trade and Commerce; sixteenth, Minister of National Defence—and we have those very able men supported by a brain trust composed of three ministers without portfolio. First we have the acting Prime Minister, then a former Prime Minister of Canada who is now leader of the government in the Senate, a man who is considered throughout Canada as a very able person, and third, another privy councillor from Prince Edward Island. Then, in addition to that we have another brain trust; there is the Canadian Minister to Washington who during the campaign of 1930 was the political adviser to the Prime Minister. Since then very often he has come to give his advice to the Prime Minister. In fact all this social legislation was inspired by him and was enunciated in his famous speech before the Canadian club at Ottawa. Therefore I wonder if the government will dispense with the services of such an eminent political adviser and replace by an economic council a man who is also an expert in the advertising of manufactured products. I wonder if the government would dispense with the services of such an eminent gentleman; I would be sorry for the government because he seems to be a genial adviser. I am pleased to note that the faces of the hon. members on the treasury benches are adorned with smiles. I know they are relieved; I know that this legislation means the former political adviser to the Prime Minister is now a thing of the past, and that he will be bound to remain in Washington, especially when questions are being asked about his travelling to and fro.

Then, in the various departments we have deputies and assistant deputies. These are men of great knowledge and wide experience. At times however the ministers are so well informed that they can dispense with their deputy heads. We find this happening in the Department of Marine and in the Department headed by the Postmaster General. These gentlemen have such wide knowledge of their respective departments that they can dispense with the services of their deputy heads. I would say however that every department is supposed to have a deputy head; that is in accordance with the law. It is a law which was good enough for Cartier and Macdonald, for Laurier and Borden and for Mr. Meighen. It was good enough for Mr. Mackenzie King, my right hon. leader. But now we come to this: We need an economic council. The government is eating soup for dessert because all the legislation on which the government should have had the advice of its economic council is already before us, and we have not had the benefit of the economic council's advice upon the social insurance measure, for instance, the eight hour day, and all the other legislation that is now

before us. Either that legislation is good or it is bad. If it is good, and I suggest that only for the sake of argument, we do not need that economic council. If it is bad, why was the legislation drafted before the economic council was formed? We are still living in a fools' paradise. I am sorry to have to say that, Mr. Chairman, but I cannot understand how the government can go on with this proposed legislation.

One hon. gentleman, I do not know whether it was the acting Prime Minister, my right hon. leader or the hon. member for Red Deer, has said that this economic council is being formed as a measure of relief to the Prime Minister. The hon. member for Témiscouata has repeatedly in this house, and he has said it particularly to the Solicitor General, who is now listening, that the leader of the government should be given time enough to think by keeping away from him all those flatterers who make him waste his time by asking for favours. These good-for-nothings should not be allowed to approach him, in order that the Prime Minister may have sufficient time to think of matters of state. I have repeatedly urged that in this house, and I have urged it upon my hon. friend, and I ask him now to create a barrage between the Prime Minister and those who are making him waste his time by their visits.

It is not at all necessary for the government to have an economic council. May I quote from a book that was written by a French academician a long time ago, in 1909, His name was Emile Faguet, and the title of the book is Le culte de l'incompetence—The cult or the worship of incompetence. Here is what this author says at page 59 of this book:

Il—

That is the legislator:

Il devrait être très informé, non pas tant de ce qui est dans les livres,—quoique encore il dût avoir des connaissances juridiques assez étendues, pour ne pas faire, ce qui arrive à chaque instant, exactement le contraire de ce qu'il veut faire—que du tempérament et de l'esprit général du peuple pour lequel il fait des lois.

Le législateur idéal, ou simplement suffisant, doit donc connaître les inclinations générales de son peuple et les dépasser et les dominer, puisqu'il a pour mission en partie de les satisfaire, en partie de les combattre.

This resolution provides for an advisory council. In the time of Cartier and Macdonald—I will go further back to Lafontaine and Baldwin and say that we have had great men in this country, Lafontaine and Baldwin, Cartier and Macdonald, Borden and Laurier, my right hon. leader, and the right hon. leader of the government in the Senate. All these were able men and they did very well without the assistance of any economic council.

Advisory? Why should this council be advisory? Why should the leader of the government receive any advice from people who are hair-splitters most of the time? There is no reason for such advice. May I bring to the attention of the right hon. acting Prime Minister, who is a graduate of Harvard and a well read man, this fact, that in the eighteenth century there was a strong tendency towards agnosticism in philosophy, but for some years now that tendency has been transferred towards the economic life of nations, and we now have a lot of cranks in the universities who are more interested in the solution of a theoretical problem than in the welfare of the people. Naturally there are exceptions, but there are many of those people I speak of, and we have to censure strongly some chancellors of universities, like one in Montreal, who is also the president of a great railway company. He tolerates in that university professors of economics who are socialists and communists and are teaching socialism and communism to the youth. The same thing is going on in Toronto university. The university I referred to first was McGill of Montreal, and the chancellor I referred to was Mr. Beatty, who does not object to some of the professors there, although they belong to highly respectable families, teaching socialism and communism to the youth. One of them is the son of a very great and a very intelligent man. I am in favour of freedom of speech but it is most dangerous to the welfare of the community and the future welfare of this country to allow those cranks to teach socialsim and communism to the youth. Why do we have so much trouble now in economics in this country?

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: The acting leader of the government said that the object of this resolution was to establish a body to coordinate the work of the various departments and to make more effective use of the ability and energy of the higher civil servants now in the employ of the dominion. The civil servants at large are doing very well, provided that the minister is equal to his function. He adds that they, the higher civil servants, have a special knowledge of our economic problem. Is it not the business

of the government to have that special knowledge? They may direct the ability and energy of the civil servants along a certain line in order that they may make the best of the government's policies; but the special knowledge of our economic problems should be in the possession of the cabinet. The right hon. gentleman added that it would save time and labour to the government. It will save labour on the part of the government. But they must be ready to serve. If they are not satisfied with their task they have only one thing to do, and that is to resign and leave it to men who are not afraid to work. The ministers of the crown, he said, have too much detailed work to attend to. There is an easy remedy; curtail that detail work. It is a simple remedy, and it is because it is so simple that they will not accept it; they want something complicated. Let them direct their ability and energy to the welfare of the country. The right hon. gentleman referred to Sir George Murray, who had been the secretary of the treasury in Great Britain, and his advice to the Borden government twenty-three or twenty-four years ago. The fashion has changed since then. He continued: More and more the government are being compelled to take cognizance of business questions and other matters which interest the country as a whole. This is what we call in French vérité de la Palice. It is most elementary that the government should take cognizance of business questions and other matters that interest the country as a whole; that is why they have been sworn as ministers of the crown and attend sittings of the council. The acting leader of the government said further: The Prime Minister's illness is due in large part to the heavy work he had to carry on in the last four or five years. I do not deny that he has had a good deal of work, but everyone will agree with me when I say that he has had no system, and that is why he is exhausted now. No one compelled him to make long journeys to get a degree in the United States or in any province. It was tiresome and exhausting, but the higher the degree the higher the fever. It was not part of the duties of the Prime Minister; he was supposed to stay here and look after the business of the state. I am sorry that he is ill, but if he exhausted himself travelling to and fro it is because no one on the other side, not even a doctor, gave him the very sound advice that he should stay in Ottawa and attend to his duties as Prime Minister instead of doing as a wandering Jew.

[Mr. Pouliot.]

The overgrowth of our cities is one problem which has been mentioned by the acting Prime Minister as a reason for this new legislation. Is there not a select standing committee on industrial relations and another one on agriculture? This matter could be studied at any time by either of these committees. There is no necessity to appoint such an economic council. The right hon. gentleman adds that one question that might be referred to this council is the finding of some solution which would lessen the number of people in the city and keep a larger number on the land—mark you this is most important—"not for the purpose of raising wheat or some other commodity for sale"—the farmer should not be on the land to sell his products; these are words which have been used by the acting leader of the government—"but for the purpose of making a living on the land, as our forefathers did and as the habitants of Quebec do at the present time." If they do not sell their commodities how can they make a living for themselves on the land? How can the farmer remain on the land if he grows commodities and does not sell them? It is most absurd, so absurd that it will take an economic council to devise a plan which will enable the farmer to stay on the land, to grow commodities which he does not sell. It is a most extraordinary thing, and I am sure that the idea was put into the right hon. gentleman's head by someone who wants to get on that economic council. The right hon. gentleman adds: "The functions of this economic council will be purely executive and not in any way administrative." We have already the executive council, which is the aggregation of ministers sitting in council. It is a part of our system along with parliament and the judiciary, and this will be done away with and will be replaced by an economic council which will have executive functions. It is easy to see that it will save time and labour to the government; it will do the work of the ministers. He adds that the purpose of this measure is to promote research in the social and economic sciences and that "there is need for coordination and an omnibus point of view in economic policies." It reminds me of the differences that exist between the former Minister of Trade and Commerce and the Secretary of State. I wonder whether the function of this so-called economic council will be to conciliate such divergent views in order that all gentlemen who do not share the same views will be put into an omnibus—an omnibus point of view in economic policies. It is a liaison body between all those on the other side of the house who

have divergent views; it is a matter of diplomacy. The acting Prime Minister quotes Sir Arthur Salter. That is a great concession to the group to my extreme left. Sir Arthur Salter may be a great economist, but his views can be considered in Canada not by way of application but only by way of comparison, because while he may know a great deal about problems in Great Britain, he knows nothing about ours. Therefore how can he apply his views? The right hon. gentleman adds that if this bill becomes law it is the intention to call the council together as soon as possible, and to undertake a program which will not only deal with broad and general economic trends but will also tackle a number of specific economic problems. The old order is gone; it is replaced by the new order as announced over the radio, but as soon as this economic council is formed, the new order will become the old order again and we shall have another new order created by these superlegislative brains. Are we to change like that all the time? Is this government's program a moving picture, changing several times a week? This is most absurd; there are no fundamentals in it. The government is very weak and needs some stimulant in order to carry on until we are bound to have an election. But it is very queer that in all the acting Prime Minister has said, there is not a single sound reason for creating such an economic council.

Now I come to what my right hon. leader has said. He says that the Prime Minister goes into an office in which there is no one, that is no staff, and he is expected to be able to deal with questions of government relating to practically all departments, and to deal with great questions of state from day to day and, when parliament is in session, from hour to hour, and he has no one in his office to whom he can turn to assist him in that particular work apart from those who are referred to as his secretaries. Then he observes that over and above every day routine the real work of the Prime Minister himself is with the larger questions of government which are related to world affairs and the affairs of different departments of state, and in that regard he is without the assistance which other ministers have in their departments. I am very sorry, but with that part of my right hon. leader's remarks I cannot fully agree. Did he mean that there should be a duplication in the Prime Minister's office of all the services that are in the other departments? Take for instance the bureau of statistics which comes under the Department of Trade and Commerce. The information that is gathered by that bureau is available to every hon. member. I have nothing but eulogy for the excellent work which is done there; I am just a back bencher and I can get that information quite easily. I do not see why the Prime Minister or the leader of the opposition has not the same opportunity, because the information is available to all of us. Therefore the Prime Minister or any hon. member can ask the bureau of statistics for any information which is necessary for him in his work, and I do not believe in any duplication of a service of that kind.

Then my right hon. leader says that to form a council and make it a body which the Prime Minister of the country must be responsible for will add tremendously to the Prime Minister's obligations instead of relieving them. Well, if it is a body for the Prime Minister, he must be responsible for it, and I am well aware that very often the Prime Minister has been advised by irresponsible persons. But there is enough of this and we cannot sanction it by a bill. We cannot as members of parliament give irresponsible assistants to the Prime Minister; I strongly object to doing so. The Prime Minister should be responsible for his staff just as any minister is responsible for his. Then my leader continues to the effect that for statistics it should be possible for the Prime Minister to call upon the bureau. He does not say it should not be possible. It is possible for the Prime Minister; it is possible for everyone. Then my leader says: If it is research into some other economic question, for example the extent of wheat production and problems relating to wheat, it ought to be possible for the Prime Minister to call upon any department or group of officials of government to undertake that work. It is possible for the Prime Minister to do so; it is possible for him to have that information at any time. Therefore, why create such an economic council? My leader says that to provide the Prime Minister with two or three highly trained men in whose judgment he has confidence, who can be the instruments to help to bring to him the information that is needed with respect to great problems of government and who will be recognized as having authority to utilize the public service generally to that end, something of that kind would be of the greatest possible benefit. That may be true. At the present time Mr. Finlayson is acting as super-secretary to the Prime Minister; he was appointed through the estimates. There are two ways to get the men referred to by my leader: either by submitting a request to the civil service commission or by inserting their names in the estimates. This

is a very easy way to do so and I do not see why the government does not proceed in that manner. If the Prime Minister needs more assistance and is not satisfied by that already given to him by Mr. Finlayson, let him put a name or two into the supplementary estimates asking that the House of Commons ratify the appointment of such men, and although such a proceeding is not regular, although they should be regularly appointed by the civil service commission, I would not raise an objection because I think the Prime Minister should have all the assistance that he requires to fulfil his duties. But on the other hand I do not see the necessity of such an economic council as is proposed by this resolution.

The hon. member for Bow River made a distinction between an inductive and a deductive body. The research bureau according to him is doing some inductive research. I wonder if I am quoting him correctly, and if I do not I shall be obliged to him if he will tell me. It is rather experimental than inductive work that is being done now by the research bureau and the hon. member knows that very well. Why make such a distinction between the inductive and the deductive? He knows very well that he is splitting hairs when he makes that very subtle distinction. On the other hand the new economic council will be a deductive body, a body doing deductive research. That is all right, but that work should be done by the government. That is why the cabinet meet; the deduction from the facts submitted to the government should be made by the cabinet ministers themselves when they sit in council. That is how they should frame their policies in connection with the business of the country.

I heard with a great deal of pleasure the hon. member for Red Deer mention something about the importance of facts. I have already told my hon. friends to my extreme left that they should be more interested in facts than in economists. Now they accept that suggestion in part; they do not accept it in full. They would like to have men in their statistical bureau doing the whole work for them in order to save them time and labour. That is what is suggested, because if I heard the hon. member for Red Deer aright, he said that someone should draw the conclusions from the facts gathered by the bureau of statistics. But that work should be done by the hon. member himself, as it should be done by the Prime Minister and his colleagues. When they ask information from the bureau of statistics they get facts and figures upon which they have to form their own judgment and draw their own conclusions. This is what a government is for; that is the idea of responsible government.

Then we are quite late in following other people's fashions. The brain trust was the fashion in the United States some years ago, but Mr. Moley was thrown overboard and later General Johnson, the head of the NRA, met with no better success. There is no longer a brain trust in the United States; President Roosevelt is getting rid of them. As the experience in our neighbouring country has been so unfortunate why should we follow that example now? In this house there are 245 members; representing every province and different parts of each province and each party. Members of all parties have the opportunity to meet members of the government or their leaders in caucus and there express their views freely, and to my knowledge members have often succeeded in changing the views of the leaders. This is the way that members of the cabinet can keep in touch with the members, and through them with the country at large. This is how it has been done ever since we have had responsible government. Not only that, but the ministers represent each province; they gather in council and discuss matters. The Prime Minister is the head of the Department of External Affairs, but he is more than that, he is the head of the government, the superhead of every department; he is interested in the good administration of each department. He may get information through his ministers who gather it from every province. Furthermore the government can get information through this house. There are select standing committees, and committees appointed to study special matters, and information may be gathered by such committees from competent witnesses. The Prime Minister is the captain of the ship; he is responsible for the ship and for its crew and for the passengers. He has at his command these many sources of information—members of the house, officials of the departments, the ministers; therefore this so-called economic council is most superfluous and I will never agree to vote any sum of money or vote for any law to provide such relief for a moribund government.

There is a point on which I fully agree with my right hon. leader. He said that, as we all know, throughout the world to-day there is a tendency for governments to relieve themselves more and more of responsibility and more and more to put it on special bodies for the purpose of relieving them of their duties in public matters. That was putting it very mildly, but it is true just the same. The conclusion my right hon. leader arrives at is

that if this measure is so enacted he would think it inadvisable that it be enacted. I fully agree with my leader in that connection; I do not at all see the utility of this so-called economic council. All the government's social legislation has now been submitted to the house, or will be, except two measures. We know what it is all about. I do not see why we should bring in strangers and outsiders, people who have no responsibility at all, to advise the government; the government should be advised first by the members, then by the ministers; the ministers should advise the Prime Minister, the head of the government. If things had been done that way for the last five years it would have been much better and the government would not be in the jam they are in now. If the government had dispensed with all those intruders and that so-called brain trust the country would not have suffered as it has. Therefore, sir, I strongly object to this legislation. I consider it a farce. In my opinion its purpose is only to give a sinecure to some people who like to split hairs, who are not serious but are dreamers and cranks and a curse to this country.

Mr. MOTHERWELL: I shall take only a few minutes, I hope. Someone has said that it is very foolish to criticize the architecture of a building without having first seen either the plans or the building. In other words to criticize before it is half-built is unlikely to lead to a right judgment. To criticize a bill when it is not even before us in skeleton form would seem equally unwise. Yet, judging by a remark dropped by my right hon. leader, there is a feature I do not like at all about this proposal, that is there are to be twelve or fifteen members of this "brain trust" as my hon. friend called it. If that is so I do not like it at all. As anyone knows who has had experience in getting experts together, I do not care how expert they are, if you have fifteen experts you will have fifteen viewpoints and in the last analysis whoever is being advised has himself to take the responsibility of acting. This looks to me like an admission on the part of the government that they have not sufficient statecraft within themselves to administer the affairs of this country in these trying times; they have to call in people from outside. Well, they have done that on many occasions, but they were frequently unfortunate in their selection of advisers. If I thought this plan would give them two or three good advisers and lighten the burden on the shoulders of the Prime Minister there would be something indeed much to be said for it. He has been carrying a stupendous burden, but there is nothing in this resolution to indicate that it is going to lighten his burden any more than that of other members of the government. As I understand it, it is an advisory body for the entire government, to be composed of some twelve or fifteen members. It seeems to be something in the way of a little Canadian pup begotten by the big Rooseveltian mastiff, a little NRA of our own.

Mr. McINTOSH: That is the trend.

Mr. MOTHERWELL: It is getting pretty well shot up down there, I understand; the mastiff himself is going bad. Why trail in at this time imitating our neighbours, big and wonderful as they are? They have demonstrated the weakness of this sort of thing. There are other ways of strengthening the government; probably the electors will have something to say about that.

Mr. SANDERSON: You mean of changing the government.

Mr. MOTHERWELL: Well, I would not like to be so unkind as that. I have had the privilege of acting under more than the one prime minister, both in the west and here, and I know what a ghastly grind it is, even on the ministers, but ten times more on the prime minister. If they keep at it long enough it will be only a matter of time until they break down, with the limited amount of expert confidential counsel available. I am one who puts the highest value possible on expert technical testimony, technocrats if you like; technical men I think are indispensable. But they often lack practical experience. I do not care how technical one is or how advanced he may be in the technical world; if he has not tried it out in reality in everyday affairs sometimes his technical knowledge will lead him astray, so he needs both the technical and the practical experience to be on sound ground as an adviser. If the aim of the resolution and the bill to be founded on it is to provide two or three advisers for the Prime Minister it should be possible to get two men with some technical knowledge, of course, but better still some common sense, some knowledge of statecraft, some knowledge of public sentiment, some knowledge of what will likely go and what will not go. I imagine any minister would like to have advisers of this type, as well as the Prime Minister.

There are two ways, as I see it, of carrying out the purpose of this resolution. My right hon. leader suggested that it might be done by having two or three technical men to assist the Prime Minister. That does not seem to

meet the wishes of the government, but though they have been known to change their minds it occurred to me that it was no use waiting until the bill came down to make suggestions; I might better assume that the bill is going to provide for a large number of advisers, some twelve or fifteen. Still I would suggest that the government carefully consider the other proposition of having two or three real good advisers, and not only advisers but assistants, who will help ease the terrible strain on the shoulders of the Prime Minister, no matter who he may be. That would be comparatively inexpensive; that is what has been done in the old country for many years. The idea of under secretaries in Canada has been mooted many times; that does not seem practical in this country, but this suggestion might be a substitute for that system, and it would help out tremendously and it would be inexpensive.

If it is desirable to have twelve or fifteen advisers why not do what has been done in the Department of Agriculture, not only by the present minister but by previous ministers as well? The minister calls his staff together, or he calls together farm organizations throughout Canada to meet in Ottawa. I think one of the first acts of the present Minister of Agriculture was to hold a conference with the various provincial ministers of agriculture, to take counsel with them. But you do not need a bill for that; you do not even need a vote in the estimates. On the other hand a vote in the estimates would provide for two or three experts without going through all this hullabaloo, but I think there is a reason for this more spectacular course. The government do not want the simple way; they want all the publicity they can get now, and I think perhaps they need it. The government want to pad out their rather meagre "reform" manifesto, and everything counts. This will be one more step to be tabulated off on their fingers, but this is going to cost too much, especially if we are to have a large body instead of the two or three advisers I suggest. The Prime Minister will have the burden, if he is the chairman of the body, of reconciling their differences. I do not know who will be the chairman, but whoever he is he will have to marshal the views of the other fourteen members, consolidate them and present them to the Prime Minister.

I am merely dealing with these points now because I may say quite frankly that if this measure goes through I will not want anything better on the platform than to describe the admission of the government that they have been unequal to the task of governing Canada, and that they are calling in an outside body for aid. So I am not making these remarks for political reasons at all; I should like to save the government from themselves, and I think this is the time to do it. We have seen what has happened in other countries—the NRA for example—and we know what we have heard about technocrats. When this depression overtook us we had the views of every expert and statistician in the land within two or three months, and ever since they have been telling us the way out. In nine cases out of ten they have been wrong; the situation has been quite different from what they evidently anticipated, and they have had to back up and start all over again. So I have no very great hope in regard to this body of fifteen, since that has proven to be the case. They will be marshalled together from all parts of Canada and they will thresh out their differences. I have gone through that process more than once in a small way, and in the last analysis I found that I had to bear the responsibility and burden of working out something from the multitude of views brought before me.

In addition, Mr. Chairman, this will cost a good deal of money, and we have no money to spare to bulge out the staff at this time and call together these unnecessary large gatherings. As my right hon. leader indicated, the burden of being chairman of that body, or of being responsible for it, will take as much out of the leader of the government as it will save him. If you can get fifteen men together without some of them being freaks I tell you you are a good chooser. The danger will be that one or more freaks will be chosen; they are the people who will assert themselves. Some of our Major Douglases and what not probably will be on this body but of course good men also. When I make these remarks I am not attempting to belittle the responsibilities and labours of a prime minister. There is no one, unless it is my own leader, who knows better than the Prime Minister the need of good, straight, honest outside advice by two or three men of common sense, horse sense if you like, and perhaps some technical knowledge. Such advice is of tremendous help, and I should like to see something done to make that advice available to whoever happens to be prime minister, because I am conscious of the need of it. Any further remarks I have to make, Mr. Chairman, will be deferred until I see the bill.

Mr. McINTOSH: I should like to make a few remarks on the resolution that has been debated this afternoon and this evening, but first I have a question or two to ask the right hon. gentleman who is piloting the resolution through the committee. I should

like to ask what will be the extra expense to parliament and the country when this economic council of fifteen is established?

Sir GEORGE PERLEY: I explained this afternoon that the expense will be very small. The bill will provide that these men will act in an honorary capacity. I do not think any estimate has been made as to what the expense actually will be, but I can have some estimate prepared and give it to my hon. friend when we are in committee on the bill itself.

Mr. McINTOSH: You cannot give an approximate figure at the present time?

Sir GEORGE PERLEY: I say that the time to discuss a matter of this kind is when the bill is in committee.

Mr. McINTOSH: Then we will leave it at that, and we will expect that information later on. Now I have another question to ask the right hon. gentleman. This afternoon he spoke of the secretary of the British treasury, Sir George Murray, who came to Canada when Right Hon. R. L. Borden was Prime Minister. My right hon. friend did not give the year. May I ask him now exactly what year he was referring to?

Sir GEORGE PERLEY: I think it was either 1912 or 1913.

Mr. McINTOSH: You are satisfied that it was 1913?

Sir GEORGE PERLEY: It was either 1912 or 1913.

Mr. McINTOSH: I wanted to know, because in discussing a measure of this kind it is important that the man leading the government should know all the details. They constitute a good foundation of any resolution.

Now there are just two or three thoughts I have to express, and I do not intend to delay the committee very long. We were told this afternoon by the right hon. gentleman leading the government that the work of this economic council of fifteen members will be first to correlate the work of the various departments of government and second to get more physical and mental energy on the move. Having told us that the council to be set up was to be made up largely of civil servants, he pointed out that the name economic council was to be given to the newly-established body. If we are to have as a foundation of this economic council some of the experts of the different departments I should think the name civil service council would be more applicable than the name economic council. Apparently the civil servants are to be robbed of any credit in respect of name to be derived from the measure, and a new name is to be given. However, that is not very much to bother about. We will wait until we see the different clauses of the bill, when it is brought down to find out why this aspect of the matter was overlooked.

May I say it is not necessary to have an economic council to get the work of the different departments better correlated. It is not necessary to have an economic council to get more work both physically and mentally out of the different departments of the government. I should think that that correlation and that accomplishment of more work could be got just as well by the cabinet of the day led by the Prime Minister. The machinery is there; why not organize it? Why have the country pay for more machinery? Why not organize what you have and get one hundred per cent efficiency out of it? If that were done it would be absolutely unnecessary to have this measure.

I agree with the hon. member for Melville when he states that the very idea of adding to the bureaucracy of this country and adding greater financial burdens to the different provinces and the country as a whole will be all the argument necessary in western Canada to show and prove that the present government has lost the confidence of the people largely because it cannot meet effectually and efficiently the problems which confront the country with the machinery at their disposal. That is the situation.

One more thought: The suggestion was made this afternoon that the Prime Minister has become incapacitated and has got into his present condition of ill health because of too much work. I am one who wishes that the Prime Minister may be in a condition as soon as possible to return to his parliamentary duties. We need a real leader at the head of the government, a man with plenty of energy and ability. The Prime Minister is possessed of these two qualities, therefore I say that the sooner he is back the better for parliament and for Canada. May I say that if the Prime Minister has broken down—if any prime minister would break down under the load of government he would be called upon to bear at present—the fundamental fact is that when any one man tries to run the country as prime minister entirely apart from his cabinet, the probability is he will break down. Greater cooperative use should be made of all the

elements and members of the cabinet. Every man should be asked to do his duty departmentally. If that were done the load of the Prime Minister would not be as heavy and, in the present instance, the breakdown might not have occurred. Further, not only should there be more cooperation among members of the cabinet, not only should there be more solidarity, more correlated effort and more individual activity which would have the effect of releasing the Prime Minister from many of his duties and responsibilities, but there should be more organized effort in his department, and perhaps in every department of the crown. If that were done I believe the Prime Minister could give more attention to the serious part of government and thereby give a more efficient lead to the party in power, irrespective of which party it might be.

One more thought, and then I am through. When the matter was under discussion this afternoon the right hon. gentleman placing the measure before the house and explaining it touched upon the trend to the cities from the country. He said the bright lights were one cause, the cinemas another, the street cars another, and so on. These are only the external causes.

Mr. POULIOT: Stop the street cars.

Mr. McINTOSH: The right hon. gentleman did not go into a detailed analysis of the real problem; he left out the basic part of the picture. Because of that one hon. member to my left said, "Why not admit high tariffs as a cause?" High tariffs has been one of the causes which have led to the drift from the country to the city. They surely are. Any person who reads the history of the last fifty or sixty years will see that the trend is from the country to the city, and if he analyzes that economic trek he will find out sooner or later that the cause is really in the high tariffs which have been placed upon the primary industries in Canada, and have had the effect of bankrupting those industries to such an extent that the people on the farm do not choose to remain there, simply because they cannot get a decent living. Many of them are on relief to-day. As I said, when the matter was before the house one hon. member to my left asked, "Why not accept high tariffs as one of the causes of this population drift?" That is one view of the question. Following that remark I suggested, "Why not change the government?" The hon. member for South Perth a while ago asked a similar question. When I made the suggestion the hon. member for Red Deer took a holier-than-thou attitude with regard to it and soared into the clouds, delivering a kind of lecture to any person who would have the temerity to talk about tariffs and a change in government. He made out that he had something deeper, wider, longer, and more important in every way to tell the house.

Mr. SPEAKMAN: I was referring not to tariffs but to the Liberal party.

Mr. McINTOSH: The hon. member states he was referring to the Liberal party. Well, as I was going to say a little later the contact between hon. members opposite—in a word, the Conservative party—and the hon. member for Red Deer was clearly demonstrated to-day. He withdrew his former resolution, and now we find the government taking action upon it. The two are uniting in the establishment of this economic council. May I say, or may I wonder, Mr. Chairman, if the hon. member for Red Deer is out after a position in the present government? Is he trying to get one of those velvety chairs in the cabinet or brain trust of this government?

An hon. MEMBER: Pretty mean.

Mr. McINTOSH: I do not know whether he would be accepted or not. We do know the resolution he moved was withdrawn, and now the government has accepted the principle of it. I should think that establishes a point of contact between the two parties, and no one knows what may come forth in the future. History might repeat itself. I would say to the hon. member for Red Deer that if he wishes to lecture anybody he had better lecture himself and the members of his own party—

The CHAIRMAN: Please address the chair.

Mr. McINTOSH: —since he and others of his group stood up in this house and voted for high tariffs. He has voted for high tariffs in his own province, and to-day he gets up in this house and discusses a resolution of this kind without even mentioning the important element, namely, high tariffs. I do not think that will be very popular in western Canada. I know it will not be popular in Saskatchewan at all events.

I would say, Mr. Chairman, that if the hon. member for Red Deer is no more correct in his diagnosis of this resolution than he was on the poultry and egg pools, then he is very far astray indeed. I understand that he takes the attitude that he knows more about the marketing act than the Minister of Agriculture himself, and more about the egg pool

and more about the poultry pool, and I am wondering whether the Minister of Agriculture is taking it for granted that it was because of the hon. gentleman's identification with the marketing board policy that the thing was put out of business in Saskatchewan, in Manitoba and in Alberta—given a knock-out blow, as it were.

These, Mr. Chairman, are a few rambling remarks that I wanted to make on this resolution.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: They are rambling to a certain extent because the impetus that was given to them came, as it were, from a rambling member of this house. In conclusion I would just say that in my humble opinion the trend to the city from the country is almost entirely due to high tariffs, and until those restrictive tariffs are modified, Canada's national and international trade will remain at a low ebb and the drift to the city will continue.

Mr. LOUCKS: May I ask the hon. gentleman if he rejoices in the fact that the marketing act was, as he says, defeated in western Canada?

Mr. McINTOSH: It is not necessary to answer that, Mr. Chairman, because apparently the vote in Manitoba and in Saskatchewan and in Alberta shows that the people there are rejoicing over the result. So what more do you want?

Mr. POULIOT: I understand that the members of the cabinet have so much work to do that they feel feeble and exhausted and need some outside assistance. If they are feeble and exhausted on account of their labouring pains may I suggest to them that they take beef, iron and wine. It is an excellent tonic and will make them strong and well. But besides that, instead of a brain trust, they should use brain food.

Sir GEORGE PERLEY: Mr. Chairman, if all the hon. members who wish to speak on this resolution have done so, I should like to say a few words in reply to what has been said by the hon. member for Melville and also by the right hon. leader of the opposition.

The hon. member for Melville, I was glad to note, thinks that this is really a reform measure and one that is brought down for the purpose of bettering the condition of the people. I hope when he goes out into the country and speaks to the people, he will inform them accordingly. I was also rather surprised to hear him say that you could not get a council together of fifteen men without having some freaks. I would like him to rise and tell me who was the freak in the last Liberal government, if it is true that you cannot get fifteen men without having one freak.

Mr. HANSON (York-Sunbury): He is too modest to name himself.

Sir GEORGE PERLEY: The right hon. leader of the opposition referred to Sir Maurice Hankey and the work that he has done in England. I knew Sir Maurice Hankey very well when I was over there during the war as high commissioner, and a very splendid executive he is. He is a civil servant in one sense of the word I suppose, but he acts as secretary to the cabinet. Contrary to our method here they keep minutes of the cabinet meetings in England. We do not do that here.

Mr. MACKENZIE (Vancouver): You could not.

Sir GEORGE PERLEY: I did not catch that. I want to inform the right hon. leader of the opposition and the committee that although Sir Maurice Hankey fills a very important position over there, at the same time they have an economic council as well. With the right hon. gentleman's argument, that the Prime Minister should be provided with one or two specially selected men to help him in his arduous duties, I am in entire agreement, but I am not prepared to say that these secretaries could absorb the duties to be performed by this economic council.

The right hon. leader of the opposition also stated that in his opinion the scientific and industrial research council might take up this work. I do not agree with that at all. I consider that the work to be done by this economic council is entirely different from that which is being done by the scientific research council. I am not criticizing in any way the work that is being done by the research council at the present time, which I am told is very useful and helpful, but it is an entirely different type of work and requires a different type of mind. The scientific research council is concerned with investigations and experimentations. That is their job. The duty of this economic council on the other hand will be to apply the information that has been gathered by that other council.

Mr. MACKENZIE (Vancouver): How?

Sir GEORGE PERLEY: The council is to consider everything that is being done in the way of improvement.

Mr. MACKENZIE (Vancouver): But in the last analysis it can be applied only by parliament.

Sir GEORGE PERLEY: I know that the council is only advisory, but it could review all the information in connection with mechanical and scientific progress that has been obtained in the last fifty years and consider how it could be used to better the conditions of the people. So it seems to me that they are two entirely separate and different kinds of duties, and I hope that the right hon. gentleman upon further consideration will feel that way himself.

Mr. MACKENZIE (Vancouver): Mr. Chairman, may I say one word before this resolution carries? Broadly speaking I do not share some of the general criticisms of this resolution which have been voiced by some of my colleagues on this side of the house. I have always believed in a general way, and have so stated many times on the platform, in the principle of an economic council, but while I say that I want to make some reservations. I do believe that if there is any value whatsoever in an economic council, that value should have been seized upon by this government in 1930 immediately after they came into office. But as has been pointed out by the hon. member for Témiscouata we have had this administration composed of some seventeen ministers proceeding on their way for four and a half years without taking any advice whatsoever from any outside party, and now, just on the eve of an election, they seek to buttress up a very weak position by the creation of this economic council. It is well within the knowledge of every single member of this house that the trend of the world in the last five years has been towards the creation of boards and commissions and tribunals and economic councils.

An hon. MEMBER: Bureaucracy.

Mr. MACKENZIE (Vancouver): It is the new despotism, the new bureaucracy. If I may venture into the unsafe realms of prophecy, I would say that just as the tendency of Canada and other nations in recent years has been to detract from and impinge upon the fundamental authority of free democratic parliamentary institutions and create all the boards and commissions we have seen—the tariff board, the marketing board, the radio commission, and all kinds of tribunals and boards of trustees—so in the future those who will succeed us in this and in other parliaments will I believe have to fight to reassert once more the fundamental authority and responsibility of parliament, and abolish all these evils of bureaucracy.

I am supporting this resolution. I believe if there is any advice that any government can obtain from any outside body of economists in these days, that advice should be freely asked and freely given and freely taken advantage of.

I understand from the remarks of the acting leader of the government that this economic council is to consist of fifteen members with the Prime Minister as chairman. It will probably represent all the varied commercial and business activities of the nation. I wonder what authority this body will have. Unfortunately for the sponsors of the measure they will not be here to dictate to the new body which is to be created under this legislation. But suppose my hon. friends opposite were in power when this body commenced to function—

Mr. STEWART (Lethbridge): They will be; don't worry.

Mr. MACKENZIE (Vancouver): That lies beyond the kindly veil of the future. Would this economic council have authority to deal with the most important questions confronting Canadians? There are two things to-day which are completely unscientific. In the first place, our tariff structure is altogether unscientific. Would this council have any authority, seeing that hon. gentlemen opposite have themselves created the tariff board, to investigate the tariff structure of Canada and make recommendations to the cabinet?

Mr. McINTOSH: Apparently not.

Mr. MACKENZIE (Vancouver): The second most unscientific structure in Canada, a structure which has been built up sectionally over the years, is the freight rate structure. Would this council have authority to make specific recommendations to the government with respect to changes in the Canadian freight rate structure? The third point is this. We have a marketing board, or rather nine or ten marketing boards. Would the council have authority to interfere with the jurisdiction of the marketing board in the marketing of natural products? Again, by far the greatest problem in the dominion to-day is the immediate solution of our difficulties in connection with the debt. What about the debt structure and the coordination of financial responsibilities and of dominion authority with the various provincial authorities? Would your economic council have power to-morrow to investigate the assets, revenues and expenditures not only of

the federal structure but of all the various provincial structures in Canada and to make specific recommendations to the government?

The argument used by some hon. gentlemen in regard to relieving the administration of responsibilities does not seem to me to carry weight. I am strongly in favour of the creation in Canada, no matter what government is in power, of a system of under secretaries to the ministers of the day, who shall be trained to study all questions of the hour and who will directly—not inferentially or indirectly—relieve the tremendous responsibilities that devolve on those who are charged with public office. I believe that sooner or later you must devise a system along these lines. So that so far as relieving the responsibilities of the Prime Minister or of any minister of the crown is concerned, I do not believe that the argument for an economic council is a weighty one. If my right hon. friend will assure me that he will summon without emolument, as the measure seems to indicate—only expenses will be required—the most brilliant men to study the great questions of income and outgo with respect to the expenditures of the government, to study the great questions with regard to our railways and our freight rate structure, to study questions with regard to the tariff, and then to make recommendations in an advisory capacity to the cabinet, leaving the final authority and direction to parliament, then I think I can see some merit in the suggestion made in the resolution. But I agree with my hon. friends who have spoken, that this is only one more step in the mad race towards despotism and bureaucracy which the government has been running since 1930; and some day those who succeed us will be very glad to come back and restore to parliament complete control over the destinies of the Canadian people.

The CHAIRMAN: Shall I report the resolution?

Mr. POULIOT: On division.

Resolution reported.

Sir GEORGE PERLEY: I move that the resolution be read the second time.

Mr. POULIOT: On division.

Resolution read the second time and concurred in. Sir George Perley thereupon moved for leave to introduce Bill No. 39, to establish an economic council.

Mr. POULIOT: On division.

Motion agreed to and bill read the first time.

SUPPLY

OFFICE OF PRIME MINISTER

The house in committee of supply, Mr. Morand in the chair.

Civil government—
Salaries, $24,904.

Mr. POULIOT: Does this cover external affairs?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): No, that is another item.

Mr. POULIOT: Then I suggest, in accordance with the views expressed by my right hon. leader, that there should be a larger amount for the office of Prime Minister to include the salary of two supermen who will form an economic council. If these two supermen were appointed we might vote $10,000 for the two; I have no objection. I suggest to the acting Prime Minister that it would be a pleasant little surprise for the Prime Minister to have the item increased. The vote as it stands is $24,904, which is an increase of $100 over last year's estimate. Why does he not make it $34,904? That would include $5,000 for each of these two supermen. If he has them in view it would be a very pleasant surprise and I am sure it would be highly appreciated, and may I suggest that he bring back the Hon. G. Howard Ferguson from London and Mr. Herridge from Washington and appoint them as an economic council. It would not be necessary to insert a large amount in the estimates; it would be only for their travelling expenses, because they would serve without remuneration. May I suggest that to the acting Prime Minister. I am sure they would accept the job, because they feel they are very lonely where they are. They hear bad news about the Tory party in Canada and they would like to be here in order to be able to control what is going on in this country. Washington is far away; Mr. Herridge did not come to Ottawa last week, and Mr. Ferguson is so far away in London it would be nice for the acting Prime Minister to decide this matter by himself in a generous way. This would meet with the approval of the country because their return would mean the defeat at once of the government.

Item agreed to.

Civil government—
Privy Council, salaries and contingencies, $44,894.

Mr. POULIOT: The Prime Minister is president of the privy council and all the ministers form the privy council. May I suggest now for their benefit, pleasure, enjoyment, for decreasing their responsibilities and increasing their energies, as my suggestion has not been accepted for the benefit of the Prime Minister alone, that the economic council come under this item? The amount for salaries is $39,894, a decrease of $5,520. Why not have that economic council under this item? I offer that suggestion to the government. When the vote on the resolution was put by Mr. Speaker, I was opposed to it; I said: "on division." But now I suggest that the government make the appointment regularly in the estimates and that is what I suggested in my previous remarks. May I suggest that they do that instead of increasing the number of statutes? We are fed up with legislation; we have too much of it here. It is said that ignorance of the law is no excuse, but it will have to be an excuse because it has happened in the house that the responsible minister did not know what the law he was piloting through meant. Surely this is a good excuse for anyone outside the house not to know about the law. May I suggest to the acting leader of the government to bring Mr. Ferguson and Mr. Herridge back to Ottawa to form, without any remuneration, an economic council to assist the privy council?

The CHAIRMAN (Mr. Smith, Cumberland): Carried.

Mr. POULIOT: Is it my suggestion which is carried, Mr. Chairman?

Item agreed to.

EXTERNAL AFFAIRS

Civil government—
Salaries and contingencies, $148,856.

Sir GEORGE PERLEY: I simply wish to suggest that we do not go into External Affairs to-night except to get an item passed in order that we may bring on this department some other day when we shall be able to discuss everything connected with it. This item is just for civil government.

Mr. STEWART (Edmonton): Why not go on with the department?

Sir GEORGE PERLEY: Because we promised that Agriculture would be taken up to-night.

Mr. STEWART (Edmonton): Put them all through.

[Mr. Pouliot.]

Sir GEORGE PERLEY: This is the civil government item, but I did not propose to go on with External Affairs to-night.

Mr. POULIOT: I regret to be unable to comply with the suggestion or request of the acting Prime Minister. Let us look at the orders of the day. The first question is about the Hon. G. Howard Ferguson, High Commissioner for Canada in London. It reads thus:

1. What is the total amount paid to the Hon. G. Howard Ferguson, high commissioner in London, from the date of his appointment until now?
2. During that period, did he spend anything for entertainments?
3. If so, what is the total of that expenditure?
4. What was the total cost of the high commissioner's office in London from August 1, 1930, until now?

This question is dated March 1 and to-day is March 18. Therefore there is no reason why we should not have that information right now about Mr. Ferguson and his expenses for entertainments. I have gone through "Canada," the weekly paper in London, and I see that he gives dinners to seven hundred, eight hundred, fifteen hundred guests in that city. It is like sardanapalus. It is always a feast there; it costs the country a great deal of money, and I would like to know how much it costs before voting a cent for him. That is the first point.

The second is that I asked two other questions, one about Mr. Roy, the minister at Paris, and the other about Mr. Marler, the minister in Japan. Both those questions were answered to-day. Contrary to custom I did not get a copy of the answers. Although the answers were sent to Hansard, I was busy; I could not copy them by hand, but I thought it was a discourteous act on the part of the acting Prime Minister not to give me an additional copy and not to give one to the press. There was only one copy which was sent to Hansard. It seems impossible to get the information. I waited until to-day and I was sure I would get it to-day, because I know the unfailing courtesy of the acting Prime Minister.

Now we come to Bill Herridge. What is the question about him?

An hon. MEMBER: Who is he?

Mr. POULIOT: The Canadian minister at Washington. This is the question:

1. What was the total amount paid to the Hon. W. D. Herridge, His Majesty's Envoy Extraordinary and Canadian Minister plenipotentiary at Washington, from June 1, 1931, until now?
2. During that period, did he spend anything for entertainments?

3. If so, what is the total of that expenditure?
4. What was the total cost of the Canadian legation in Washington from June 1, 1931, until now?
5. Since his appointment as minister plenipotentiary, did the said Hon. W. D. Herridge leave the Canadian legation at Washington?
6. If so, how many times and how long each time?
7. During the same period, did the said Hon. W. D. Herridge spend some time in Ottawa?
8. If so, how many times and how long each time?

Those are very plain questions and I would like to have an answer; it would be only fair to have one. We have those ministers wandering to and fro and we cannot get any information about them. The little magazine "Canada" is filled with descriptions of G. Howard Ferguson's entertainments. There is the Maple Leaf tour; there are invitations to duchesses, counts, countesses, earls, lords and ladies; there are feasts and celebrations, and all this costs a great deal to the country.

Sir GEORGE PERLEY: If I might be allowed to interject a few words, the questions regarding Washington and London had reference to two different departments; Public Works as well as External Affairs were involved. Therefore the answers to those questions are prepared through the Secretary of State. As far as I know, they will be ready I think probably to-morrow, but this estimate has nothing to do with either Mr. Ferguson or Mr. Herridge. It is the civil service here in Ottawa. We shall give the hon. gentleman every opportunity to discuss both Washington and London as long as he likes when the time comes. Of course if he wishes to do it now we cannot avoid it.

Mr. POULIOT: I thank the right hon. gentleman; he is very courteous and I appreciate it. But the first question about Mr. Ferguson was on March 1, and the other about Mr. Herridge on March 5. I shall not insist but one thing I regret is that when the estimates come the ministers are not ready. For instance last week the Postmaster General brought his estimates on and had nothing ready. In response to questions, he said: "I shall send you the information afterwards." I accepted that answer from him because the Postmaster General has not had the experience of the acting Prime Minister. They are two different men. The acting Prime Minister has served in very high capacities, as high commissioner in London, and as acting Prime Minister since this government has been in power. But it was most unfair to members of this house that the Postmaster General should tell us that we would get the information we wanted after his estimates were passed. It reminds me of the story of the commercial traveller who said: "I don't feel well; my stomach—oh, something there." He was asked: "What is the matter?" He replied: "I was on the train; as I was hungry, I bought a banana, and after I had eaten it I found it was rotten." So with the estimates of the Postmaster General; he wants us to swallow them first, and afterwards we find they do not taste very nice. I hope that the acting Prime Minister will not follow that example.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Publications, $32,197.60.

Mr. MACKENZIE (Vancouver): What is the reason of the increase?

Hon. ROBERT WEIR (Minister of Agriculture): The increases are included in items as follows:

Advertising and publicity, clipping service, $600.
Newspaper and radio advertising, $1,000.
Mats for press service, $900.
Photography and lantern slides, $800.
Supplies and materials, metal stencils, ribbons, $825.
Mimeograph stencils, $100.
Mimeograph paper, $1,000.
Printing, $600.
Stationery, $150.
Envelopes, $850.
Transportation, postage and express, $300.
Travelling, $3,000.

Item agreed to.

International institute of agriculture, $12,000.

Mr. VENIOT: Is the minister not prepared to take up item 48 to-night?

Mr. WEIR (Melfort): Item 49 is the next.

Mr. STEWART (Edmonton): What is the explanation of the reduction?

Mr. WEIR (Melfort): The increase last year was due to exchange, and there had been some arrears in exchange: $12,000 is the normal amount.

Mr. MOTHERWELL: What was the last year that the department sent a representative to Rome?

Mr. WEIR (Melfort): There has been a representative there every year. Usually the British representative is instructed to act as our representative, but last year there was a representative from the Department of External Affairs, Mr. Macdonald.

Mr. DONNELLY: Does this cover the representative to go to Rome to the wheat conference to set our quota for wheat?

Mr. WEIR (Melfort): No, this has nothing to do with that.

Mr. BOTHWELL: I note that this item was $8,500 until last year, when it was raised to $15,700. This year it stands at $12,000. What is the cause of the change?

Mr. WEIR (Melfort): There has been no change in the amount. The change is in the sum paid here from year to year, due to exchange.

Mr. STEWART (Edmonton): Surely the minister does not intimate that exchange would make the difference between $8,500 and $12,000.

Mr. WEIR (Melfort): We have not the records here except for the last two years, but my information is that there has been no change here for the past two or three years other than that due to fluctuations in exchange.

Mr. BOTHWELL: I have the estimates for last year, showing this item as $8,500 for 1933-34 and $15,700 for 1934-35, and now for 1935-36 it is $12,000.

Mr. WEIR (Melfort): My information is that there has been no difference as far as the sum itself goes, and that the difference is due to fluctuation in exchange. The amount we pay is not based on our currency.

Mr. DONNELLY: When exchange was against us and our money was low in value, in 1931-32 we granted $13,500. Next year it was down to $10,000. Will the minister tell us exactly what this money is used for?

Mr. WEIR (Melfort): This money is for assembling the information sent in by the different countries that are members of this institute. Rather than each country itself gathering information from other countries of the world there has been set up an international institute to collect it and pass it on to the countries that contribute to the cost of the institute.

Mr. STEWART (Edmonton): This is the institute at Rome?

Mr. WEIR (Melfort): Yes.

Mr. DONNELLY: Where is the headquarters?

Mr. WEIR (Melfort): Rome.

Item agreed to.

Contributions to empire bureaux, $21,535.

Mr. STEWART (Edmonton): What are these empire bureaux?

[Mr. Donnelly.]

Mr. WEIR (Melfort): The empire bureaux do work for the British empire very similar to the work done by the international institute for the world. The work of the empire bureaux is to collect information from the different dominions within the empire, results of research work or statistical information. This is sent out to the various dominions, and to make it possible to carry on this work of collecting and disseminating this information each dominion makes a certain contribution.

Mr. STEWART (Edmonton): Are these purely agricultural statistics and information?

Mr. WEIR (Melfort): Purely agricultural.

Mr. McKENZIE (Assiniboia): How many of these bureaux are there?

Mr. WEIR (Melfort): Ten.

Mr. McKENZIE (Assiniboia): Where are they located?

Mr. WEIR (Melfort): In different parts of the United Kingdom.

Mr. WEIR (Macdonald): Could the minister give us any information as to the type of material or information that has been gathered by these bureaux during the past year, for instance? Is it scientific or statistical?

Mr. WEIR (Melfort): Both. One instance is the research work on animal nutrition at the Rowett Research Institute, Aberdeen, Scotland. They carried on research work, including an investigation of the value of feeds for live stock, and the information obtained was passed on to the bureau, whence it was disseminated to the different dominions. This prevents the duplication of work, and the same procedure is followed in connection with experiments on plant mycology and other work. Then if research work is done in Canada it is passed on to the empire bureaux and disseminated to the other dominions.

Mr. SANDERSON: Could the minister tell us where these bureaux are located in addition to Aberdeen?

Mr. WEIR (Melfort): The list is as follows:

The Imperial Institute of Entomology, London, England.

The Imperial Mycological Institute, Kew, England.

The Imperial Bureau of Soil Science, Rothamsted Experimental Station, Harpenden, Herts, England.

The Imperial Bureau of Animal Health, Veterinary Research Laboratory, New Haw, Weybridge, England.

The Imperial Bureau of Animal Nutrition, Rowett Research Institute, Aberdeen, Scotland.
The Imperial Bureau of Plant Genetics (Herbage Plants), Aberystwyth, Wales.
The Imperial Bureau of Plant Genetics (Crops other than Herbage), Plant Breeding Institute, Cambridge, England.
The Imperial Bureau of Fruit Production, East Malling Research Station, East Malling, Kent, England.
The Imperial Bureau of Animal Genetics, University of Edinburgh, Scotland.
The Imperial Bureau of Agricultural Parasitology, St. Albans, Hants.

Mr. WEIR (Macdonald): I should like to ask a question concerning this matter, from the Canadian point of view. I understood the minister to say that if we obtained information of a similar character we supplied it to the other dominions. I have in mind that we have various scientific institutions throughout the country, both dominion and provincial, and I am wondering how that information is correlated and who becomes responsible for forwarding this information to these bureaux for world wide distribution. Has the minister in mind any instance in which Canada has contributed information recently?

Mr. WEIR (Melfort). There are representatives of the bureaux in the Dominion of Canada; the reports of any research work considered worthy are presented to them, and it is their duty to pass them on to the empire bureaux. The same situation applies in the other dominions. This prevents duplication of research work.

Mr. WEIR (Macdonald): Who names those representatives in this country?

Mr. WEIR (Melfort): The Department of Agriculture.

Mr. WEIR (Macdonald): Here in Ottawa?

Mr. WEIR (Melfort): Yes.

Mr. STEWART (Edmonton): I have had some little experience with the activities of the bureaux in London in connection with mining and scientific research in that direction, and I am bound to doubt the usefulness of this procedure. We spent a good deal of money to obtain information from outside the empire, and very frequently I came to the conclusion that a good deal of this information was of very little value to us, for climatic and other reasons. In other words, to put it plainly, what has been found effective as a curative or remedy in the old country is not always effective in Canada, and I am bound to say that I question whether or not this expenditure is worth while. I am not particularly well informed with regard to the Department of Agriculture, but I believe it is mighty well equipped to carry on its own investigations. I know this money has been spent in other years; there is nothing new about it, but I doubt the advisability of continuing to send sums of money outside of Canada for these purposes, not only in connection with agriculture but also in connection with other lines of research. We were able to make an arrangement with the United States and Great Britain under which each country undertook the responsibility for research in certain lines, following which the information obtained was exchanged, but that had to do with fuel research and kindred matters. Just consider one matter mentioned by the minister, research carried on in Scotland in connection with the scientific feeding of animals. I am bound to think that will not be very valuable to the Canadian agricultural industry, and I suggest to the minister that he look into the matter carefully and see whether or not real value is obtained for the money expended.

Mr. WEIR (Macdonald): Following the remarks of the hon. member for West Edmonton may I ask the minister if we have any similar interchange between the United States and Canada, for instance, where conditions are more comparable in many respects?

Mr. WEIR (Melfort): There is no such organization set up in either country, but we are in constant communication with the United States in this regard. For example, Canadian scientists are often asked to attend conferences in the United States at which they review the results of research work conducted during the year, and similar conferences are sometimes held in this country. We are more in direct contact with the United States and for that reason it is not considered necessary to have such a bureau set up.

Mr. WEIR (Macdonald): Is there a pretty close working relationship between the international institute and these bureaux? There would appear to be some possibility of duplication, and from the standpoint of gathering and sending out information I was wondering if the institutions under these two items work closely together or if there is any relationship at all between them.

Mr. WEIR (Melfort): So far as possible their work is very well harmonized. Of course the first institute has to do entirely with agricultural statistics, while the last item has to do purely with empire work.

Item agreed to.

Entomology, including investigations and inspections relating to destructive insects and pests, $380,128.

Mr. BEAUBIEN: What steps are being taken by the Department of Agriculture to take care of the grasshopper menace still facing western Canada? Press reports indicate that the district east of the Red River is most infested with eggs. Is the department in touch with the situation, and so far as possible will conditions be remedied?

Mr. WEIR (Melfort): The entomological branch submits the information, in connection with the grasshopper menace, that the area seriously affected is about one-half the size of the area affected last year in the three prairie provinces. However, in that area the results of the surveys show that as intensive a campaign will have to be carried on over the smaller area as was carried on last year over the large area. It is interesting to note that the poisoned bait used last year to fight the grasshoppers turned out to be ninety per cent effective, so far as records show. It is interesting to note, further, that the officials of the entomological branch of the federal Department of Agriculture are responsible for demonstrating that sawdust used with an equal quantity of bran is as effective as one hundred per cent bran, and reduces the cost by about fifty per cent. This method is now being used in other countries. This was an important contribution, particularly in view of the large area affected and the extent of the fight which had to be carried on.

Mr. BEAUBIEN: Will there be cooperation between the provinces and the federal government?

Mr. WEIR (Melfort): Yes.

Mr. WEIR (Macdonald): Do I understand from the minister that the possible area of infestation is reduced two-thirds this year?

Mr. WEIR (Melfort): In Manitoba the area is the same as it was last year. In Saskatchewan it is about one-third as much, and in Alberta it is one-half. Manitoba remains the same this year as last year.

Mr. WEIR (Macdonald): Who is carrying on the work formerly done at Treesbank by Mr. Norman Criddle? Is that station still carrying on operations?

Mr. WEIR (Melfort): Doctor R. D. Bird is now in charge.

Mr. DONNELLY: Could the minister tell the committee the effect climatic conditions would have upon the curtailment of the spread of grasshoppers?

Mr. WEIR (Melfort): The drought condition of last year was ideal for the spread of the grasshopper menace. For that reason it is all the more gratifying to think that we had a great measure of success in combating the difficulty.

Mr. DONNELLY: Why is it that in many districts where no poison is used there were less grasshoppers than in districts where poison was used?

Mr. STEWART (Edmonton): They were starved to death.

Mr. WEIR (Macdonald): As the grasshopper menace is becoming such an important problem in western Canada surely the minister would have some information indicating what we might expect by way of overcoming the difficulty, or effecting some great measure of control. Has the department any encouragement to give? For the last four years I have been in a grasshopper infested area, and I should like to know if we may expect relief.

Mr. WEIR (Melfort): The periods of infestation run in cycles of about eleven to fifteen years, but our information is that where the campaign is carried on strictly according to instructions the kill brought about by the poisoned bait is about ninety per cent effective. We have the best information in the world upon the subject.

Mr. GARLAND (Bow River): Has any investigational work been conducted to ascertain whether or not there is a destructive parasite calculated to remove the grasshopper menace, or has any work been done along that line? Last year I remember seeing an excellent piece of work done I believe by this branch, when it sent out a type of fly calculated to destroy the wheat stem saw fly. I saw the parasites being released, and I was wondering if other destructive parasites could not be found which would destroy grasshoppers.

Mr. WEIR (Melfort): The grasshopper is a native insect and the parasite used to fight the grasshopper is also a native. These parasites are present but as yet have not played a very effective part in the fight. Certain destructive diseases of grasshoppers are also present. Quite a number of dead grasshoppers could be seen last year killed either by parasites or by diseases. On account of the conspicuous nature of the parasite one would be led to believe that they may have

been chiefly responsible for killing the grasshopper, but investigations showed that compared with the deaths brought about by the poisoned bait the number caused by parasites was very small.

Mr. BROWN: Has the department any information regarding a plague—I do not know whether it is in the nature of a poison or a fungus—affecting elm trees in New England, and has it considered the possibility of its extending to Canada?

Mr. WEIR (Melfort): This is the Dutch elm disease, which is not yet present in Canada. Every precaution is taken to watch all avenues by which it might come to this country from the United States. All the elm tress brought into this country as nursery stock are carefully inspected, so as to make certain the disease will not find its way into Canada. Our officials are fully conversant with the steps being taken in the United States to combat the disease, and our information is that up to the moment we are free of it.

Mr. GERSHAW: No doubt most hon. members have seen fields totally destroyed by grasshoppers. We do know, however, that fields have been destroyed by other insects, such as cut worms. Is the department doing anything to control pests of that kind?

Mr. WEIR (Melfort): Cultural methods of control are used. I believe in the present year about 15,000,000 acres are in danger, but the best method known to combat the difficulty is that of using cultural methods, namely finishing the summer fallow work at a certain period and not disturbing the land after that time. The hon. member for Willow Bunch asked a question I have not yet answered. Would he give me details of the area he has in mind?

Mr. DONNELLY: In the year 1920-21 I had a farm in the Weyburn district, and for two years we combated the grasshopper, put out poison each year, and the grasshoppers devoured the whole crop. The next year we did nothing because we had plenty of rain. What I rose chiefly to ask the minister was in regard to the vote last year of $350,000. How much of that was spent on the grasshopper campaign? How much went for salaries of individuals in connection with the grasshopper campaign, how much went for materials, and how much went to the different provinces? I would like some details of how this money was spent in connection with grasshoppers.

Mr. WEIR (Melfort): Has the hon. member reference to our vote or the money of the provinces?

Mr. DONNELLY: To the vote of $350,000 last year.

Mr. WEIR (Melfort): About $30,000 of our vote was spent in the grasshopper campaign, $25,000 of which was from the entomological branch, $2,000 from the seed branch and $3,000 from the experimental farms branch.

Mr. DONNELLY: Was that $25,000 for salaries?

Mr. WEIR (Melfort): For salaries for officials and travelling expenses and wages for labour used in the work.

Mr. WEIR (Macdonald): Does part of the money under this vote go to the seed branch and part to the experimental farms branch?

Mr. WEIR (Melfort): No.

Mr. WEIR (Macdonald): There is no part of this vote used for supplies for combating the grasshopper?

Mr. WEIR (Melfort): No.

Mr. WEIR (Macdonald): And no contribution is made to any province from this vote?

Mr. WEIR (Melfort): No.

Mr. WEIR (Macdonald): This department simply makes a survey and then makes a report?

Mr. WEIR (Melfort): And gives technical leadership to the campaign.

Mr. McKENZIE (Assiniboia): In the survey made with regard to grasshopper eggs, where was the most danger found in Saskatchewan?

Mr. WEIR (Melfort): In Alberta it runs from Nobleford to Mazeppa, and from Countess north to south of Huxley. In Saskatchewan there is a bad area, a small area, east of Bracken; also east and west of Saskatoon; north from Herschel to Senlac. There is a comparatively small area north of Yellow Grass, an area around Moose Jaw, and an area north of Redvers. Those are the chief areas in Saskatchewan.

Mr. BEAUBIEN: What about Manitoba?

Mr. WEIR (Melfort): In Manitoba it is almost entirely in the south. There are two bad areas almost directly south of Winnipeg, east and west of the Red river. It is rather

difficult to read the areas from this map but I shall be glad to send it over to hon. members who have asked about the areas.

Mr. VALLANCE: Are these charts available in the department to individual members?

Mr. WEIR (Melfort): Yes.

Mr. DONNELLY: Is there any danger from grasshoppers in the wooded country in Saskatchewan?

Mr. WEIR (Melfort): They are approaching that territory, but there is no danger there as yet. Last year they worked just up to the edge of the area in the centre of Saskatchewan at Rosthern.

Item agreed to.

Seed, feed and fertilizer control, including grants to seed fairs, etc., also grant of $17,010 to Canadian Seed Growers' Association, $393,200.

Mr. MOTHERWELL: According to a press dispatch the minister has stated that the class A fairs will have their grants restored to their former proportions. Was that report correct?

Mr. DONNELLY: How much of this vote goes to seed fairs and how much for seed control?

Mr. WEIR (Melfort): The amount of $39,000 is for seed fairs and field crop competitions.

Item agreed to.

Fruit, including grant of $4,500 to Canadian horticultural council, $464,280.

Mr. BEAUBIEN: May I ask the minister if this council is still acting as a political organization, or is it now functioning independently?

Mr. WEIR (Melfort): As far as my information goes, this body has never acted as a political organization. Some of my own supporters think it acts as a political organization against us, and I have no doubt my hon. friend's colleagues feel the same way so far as they are concerned, but so far we have found this body very helpful in giving advice, and not in any way a political body.

Mr. VALLANCE: Looking back over past years since 1931 I find there is an increase in the vote for the Canadian horticultural council.

Mr. WEIR (Melfort): No.

[Mr. R. Weir.]

Mr. VALLANCE: I understand that the vote has been increased but it is not set out specifically in connection with this item for 1931-32 or for 1932-33.

Mr. WEIR (Melfort): At one time the grant was $8,000. Then it dropped to $5,000, which with the ten per cent cut made it $4,500. I believe in one year it was in the supplementary estimates that it was passed.

Mr. VALLANCE: I have the 1933 estimates for the fiscal year ended March 31. Probably that is the year the minister refers to when he says it was in the supplementaries, because it does not appear in the general estimates.

Mr. HOWDEN: How is this money expended, apart from the vote for the horticultural council?

Mr. WEIR (Melfort): The money is used largely for inspectional services. A good deal of it comes back to the government, however. The general divisions are: Inspection, estimated vote for the next year, $402,489; markets, transportation and warehousing, $17,991; administration, $43,800. That makes $464,280. The estimated increase in inspection is $30,727; markets, transportation and warehousing, $5,500; administration, $3,000.

Mr. HOWDEN: I understand the minister to say that a large part of this money is returned to the government.

Mr. WEIR (Melfort): Yes, as high as $100,000 in some years.

Mr. BEAUBIEN: Does the national dairy council get a grant out of this vote?

Mr. WEIR (Melfort): Neither out of this nor any other vote.

Mr. DONNELLY: A good deal of this money is paid for inspection work. How much did it cost for inspection of apples last year and what did the government receive back in the way of fees? In other words, is the inspection service self-sustaining?

Mr. WEIR (Melfort): It is not self-sustaining but it does pay a reasonable part of the cost. It would be almost impossible to obtain precisely the information the hon. member has asked for because a good deal of the work is part time; some of it would be devoted to the inspection of cars of apples, and part of the time on the same day would be devoted to other inspection. However, it pays a considerable part of the service; well over half, I should say.

Item agreed to.

Live stock, including assistance to fairs and exhibitions, $1,628,302.

Mr. TOTZKE: How are the grants allotted to the various fairs? In previous sessions I have referred to the grants given to class B fairs. In the past this has been more or less a close corporation. Unless a fair had been getting a grant there was no opportunity of its coming within the classification. Is that still so?

Mr. WEIR (Melfort): Special consideration has been given, apart from that, to large areas that had not been served with fairs and which could not apply on the basis of entry that applied to places that had held fairs over a period of years. It is not a close corporation; if it can be shown that the work warranting this assistance can be done it is given sympathetic consideration, and probably a grant may be given.

Mr. TOTZKE: Is a certain standard set which must be reached before a fair can get the grant? Is that a fixed standard?

Mr. WEIR (Melfort): No, it is not fixed in any arbitrary way. We did feel that it was essential to set some standard, and any fair that comes up to that standard is eligible for the grant. But in regard to fairs that do not come up to that standard, consideration is given each specific fair and the grant made on that basis.

Mr. TOTZKE: But there is a standard to be reached.

Mr. WEIR (Melfort): Yes.

Mr. VALLANCE: There is an increase of $110,000. Is this due to importations of live stock brought in by the department in the past year?

Mr. WEIR (Melfort): This is for 1935-36.

Mr. VALLANCE: This minister gave the house some information two weeks ago with regard to the plebiscite in connection with the poultry pool. From what source was that money taken?

Mr. WEIR (Melfort): That is from the vote under the marketing act, a separate vote.

Mr. MOTHERWELL: Has the minister's attention been called to the prices of both hogs and cattle in the United States as compared with Canada? A year ago we were reminded of this frequently at a time when the price was lower in the United States. Now it is considerably higher. Our cattle are going to Chicago now instead of to the old country. I do not think that any live hogs have gone to the United States but bacon will be shipped if prices keep up. I have no recollection of the United States having an Ottawa agreement.

Mr. WEIR (Melfort): There are very considerable shipments of cattle now from this country to the United States owing to the fact that their cattle prices are so much higher than ours, high enough to take care of the very high duty they have placed against our live stock. The increase in the price of their live stock chiefly their fat live stock, is due to a number of causes, and perhaps the first is that there is a great area which has been affected by drought in the United States, extending from the Canadian boundary. In October I drove from Regina straight south, and along an area of over 800 miles in the United States, due north to due south, there was no green vegetation of any kind that could be seen, and that extended in some places from 400 to 500 miles on either side of the line. The effect of the drought was so bad that the American government took very drastic steps. After investigation they felt that it would not pay them to ship fodder and other feed for live stock over the great distances that would have to be traversed, and they took steps to slaughter some of the cattle on the ranges and purchase large numbers, having them canned for use as far as possible among people on relief. As far as my memory serves me, the percentages are these. In Montana, the Dakotas and some of the other northern states the number slaughtered was as high as 51 per cent; that is, one animal out of every two slaughtered. Some were left where they were slaughtered and were disposed of there. The others, as I stated before, were converted into canned meat and so on, and a good deal of this is still in storage in the United States. Other states slaughtered as much as 47 per cent; in Oklahoma, further south, the quantity slaughtered was 41 per cent. This will give the committee a good idea of the very large number of cattle slaughtered, the proportion being over one-half in some of the states.

I am speaking now from memory, but the total sum of money expended by the United States federal government in purchasing those cattle was, so far as I remember, more than $108,000,000. More than 8,000,000 head altogether were slaughtered, and of that number, in the neighbourhood of 1,450,000 odd were slaughtered on the ranges. There were two factors connected with the matter: one was that as a result of the drought there was a shortage of feed which raised the price of feed for cattle in the United States. On the other hand at that time cattle were very

cheap there, and the farmers feeling that they would continue to be cheap and also being affected by the high price of feed, did not feed anything like the number of cattle they did in previous years. That is why prices have gone up in the United States as they have, and it is believed by the best authorities in that country that prices will stay up until well finished grass cattle come on the market. Even after that, there should be a considerable increase in prices due to the necessity of restocking those dry areas, particularly if this year is not as dry as last.

Mr. MOTHERWELL: I think my hon. friend knows drought conditions on the Canadian side were almost identical with those in the United States, only not as large an area was covered. The effect upon our market would be the same with all this poor stuff thrown on it last fall as it would be upon the United States market. The converse would be the same; the effect upon the United States market would be the same as that upon the Canadian market so far as a great deal of this poor unfinished stuff is concerned. Therefore I do not think my hon. friend's explanation is worth very much. Conditions were the same on both sides of the line, but the disparity in prices in favour of Chicago was very considerable in regard to both cattle and hogs. Perhaps some other factors that do not occur to me enter into the question, but for the moment the factors that the minister has mentioned would not in themselves be sufficient to explain the disparity.

Mr. WEIR (Melfort): There was another factor working in Canada. The area affected by drought was nothing like as large as that in the United States; only a few thousand head of cattle in Canada were destroyed to be used otherwise than for human consumption. But during the past four or five years, that is since 1929-30, the United States government put up the tariff against Canadian cattle, and because that outlet was denied to our cattle, our surplus increased very greatly. This last year I believe we slaughtered between 350,000 and 400,000 head more than we did in previous years, the farmers holding their cattle hoping that some action might be taken to allow them to enter the United States and avail themselves of that market if it might rise, and the old country market, which was practically the only one available and had reached very low prices, might also rise. But because cattle were low in price and feed was high, there were few cattle put on feed in Canada in comparison with previous years.

[Mr. R. Weir.]

Mr. MOTHERWELL: Have exports of cattle across the sea ceased entirely?

Mr. WEIR (Melfort): They have practically stopped of beef cattle.

Mr. MOTHERWELL: Then my hon. friend must have had a pretty good object lesson of the advantage of the United States market for Canadian cattle as compared with the overseas market which is at times a very unreliable and fluctuating one.

Mr. WEIR (Melfort): I do not think very many people have had any doubt that the United States market has always been the natural market for our live stock.

Mr. WEIR (Macdonald): I suppose there were a certain number of cattle taken off the western market this year?

Mr. WEIR (Melfort). Yes.

Mr. WEIR (Macdonald): By arrangement with the provinces?

Mr. WEIR (Melfort). Yes.

Mr. WEIR (Macdonald): With the dominion making a certain contribution.

Coming back to the fairs, I was wondering whether the minister could give some information regarding the success of the regional fair policy. I intend to make just one comment in respect to it; I have watched the operation of one such fair. In attempting to establish regions around a central point, no matter how well you try to handicap the inside area, the outside areas further away do not seem to be able to enter sufficient stock to bring their prize list up to a point where they can make enough to have winnings really to pay their way. With transportation quite uncertain, the experience that we have had has been that it takes tremendous amount of persuasion to bring some of these people from outlying districts into a regional fair to compete as a region. Would the minister be good enough to tell the committee just what success these regional fairs have been having and what the policy with respect to them is going to be in the coming years?

Mr. WEIR (Melfort): As the hon. member for Macdonald has stated, it is difficult to make a fair adjustment between the advantage to those near where the fair is held and that to those in more outlying districts. The success depends pretty much on the natural location of the fair selected as a regional one as to other smaller communities, villages, that are around it. It also depends a great deal on the type of the exhibition board. In some cases where the exhibition

board of the regional fair take a highly personal interest in it, they can work up a great deal of competition. In that way we think it is very valuable in comparison with the old system of fairs that took place for many years and finally reached the point where they had a cut and dried prize list and did not have to put much individual effort into the work. It is rather difficult to make comparisons because conditions have been so abnormal, but I would say that on the whole the expression of opinion from those who have taken advantage of regional fairs has been very valuable as to how they work out the regional idea in their own districts.

Mr. BROWN: There is a report that our cattle going to the old country have been found suffering from disease. Has the department any information on that question?

Mr. WEIR (Melfort): When the restrictions that were placed against our cattle were removed at the time of the Ottawa conference agreements, so far as female stock, especially that which was to be used for dairy purposes, was concerned, we agreed with the United Kingdom that any animal which they felt was not suitable, not of high enough quality to be used for breeding purposes, could be slaughtered. In addition to that however—and perhaps this is what the hon. member has in mind—some few months ago there were shipped to the United Kingdom dairy cattle that were not in proper physical condition to ship and that were not good specimens of the breed or anything like a good advertisement for our live stock in the old country. We advised the exporters a number of times that it was necessary to take steps to prevent the shipment of those cattle, because we had reports from the old land, with reference to one shipment especially, that if further shipments like that were made there would be danger of an embargo being put on lest disease from these animals should spread in the old country. As to the last shipment, about which there has been something in the press, the reason given for the slaughter of those cattle was chiefly that they were not of sufficient high quality for breeding purposes. The female stock are tested here for tuberculosis but not other diseases.

Mr. HACKETT: Can the minister say whether or not the cattle reported in the press to be diseased and unfit for breeding purposes were examined by competent veterinarians before they left Canada?

Mr. WEIR (Melfort): For general disease yes, but the only specific test I understand was for tuberculosis.

Mr. VALLLANCE: Can the minister inform the committee if all the space that was required for cattle offered for export to the British market last fall was available?

Mr. WEIR (Melfort): We had no information as far as I know from any individual that there was any considerable lack of space. There were some isolated instances of inability to get space; one was from the vicinity of Biggar, where I believe there were two or three carloads. Mr. Clark, I believe, wrote me in connection with it. I believe one of the chief reasons in that case was that he did not give as definite a commitment, as was required, as to when he would want to ship. From the reports that came back I think it might have been better if there had been even less space available, because on the shipments as a whole I understand there was a substantial loss.

Mr. VALLANCE: Is any attempt made by the department to control or distribute the space that is available for cattle exports to the British market?

Mr. WEIR (Melfort): In the first year and a half that this government was in power the space was partly arranged for by the Department of Agriculture. During that time we asked the steamship companies or their agents to reserve certain space up to two weeks before shipping, so that if there were shipments from western Canada or outlying points they could get space. They advised us also upon request of the number shipped, and the individual farmers shipping them, just to assure that there would be no cornering of the market. I think that is what the hon. member has in mind. However, in 1931 it was felt, and I think reasonably so, that on account of the Department of Trade and Commerce being in direct communication with the steamship lines in connection with the subsidies and work outside the dominion it was better that they should take the work of filling boats and getting space.

Mr. VALLANCE: I had a case drawn to my attention last fall from Lloydminster, probably the minister will remember it. This individual had shipped cattle to the Scottish market the year before, and had intimated through Mr. Campbell that he would want space in late October or November. He had his cattle ready, quite a large number, and then found that space was not available. The excuse given was that in the previous year

quite a number of exporters had lost considerable in the British market and they were given a preference for the space. I would like the minister to correct that statement if it is wrong, or to verify it if it is right.

Mr. WEIR (Melfort): I do not remember the case, but if the hon. gentleman will let me have particulars I shall be glad to follow it up. I have followed up a number of such cases, although the matter did not come under my jurisdiction, and the information, which I was able to verify, was that it was difficult in many cases to have the person who wanted to ship his cattle give a definite time sufficiently far ahead, even two weeks ahead, when the cattle were to be shipped.

Mr. VALLANCE: Is there any working arrangement between Mr. Campbell of Montreal and the department as to the disposition of space on boats going to the British isles?

Mr. WEIR (Melfort): Not with this department. That work is handled entirely by the Department of Trade and Commerce.

Mr. VALLANCE: That is, there is a working agreement between one department of this government and Mr. Campbell?

Mr. WEIR (Melfort): I cannot say whether they have a working agreement with him with reference to space or not. There is not between this department and Mr. Campbell, nor was there, outside of what I stated, when this department had charge of the work.

Mr. GERSHAW: This is a large item, and I would like to draw attention to the fact that the grants to fairs are given to fairs in the larger cities, but under present conditions a great many farmers, in fact the average farmer, finds it impossible to get to those cities to visit the fairs. Therefore it seems to me that the smaller fairs should be more liberally treated.

I should also like to know what percentage of our cattle are exported, and if the price received for that exportable surplus sets the price for all cattle in Canada.

Mr. WEIR (Melfort): Answering the last question first, my answer would be no. My information, which I have every reason to believe is accurate, is that on the whole during the past two or three years the cattle shipped overseas have brought less than similar cattle sold in the domestic stock yards.

With reference to grants being increased to fairs in the smaller centres, we have increased grants more in such centres than in the larger ones, for the very reason the hon. member suggests. At one time the grant to fairs in the larger centres was $5,000; that was cut practically in two, I believe, while we gave some additional grants to some of the smaller fairs. This year there has been an increase to B fairs to $1,800 plus $200 for defraying expenses of judges, and $500 for regional fairs, plus $500 if used for junior farm work, which is a greater increase in proportion than to the larger fairs. I agree entirely with the statement of the hon. member that we cannot afford not to encourage the smaller fairs which are more available to many farmers than are the larger ones.

Mr. GERSHAW: What roughly is the percentage of cattle exported?

Mr. WEIR (Melfort): The number of cattle exported is between fifty and sixty thousand. The number slaughtered at inspected packing plants is somewhere close to 800,000 I believe, and that is considered to be about half the number slaughtered in Canada, so the percentage would be very small.

Mr. BRADETTE: The minister mentioned just now the necessity for killing off live stock in Canada and the United States. Last summer in our section we had a bumper hay crop, and we were expecting to get fairly good prices. But we were told that the federal government had put an embargo on the shipment of hay to the United States in order to keep the price fairly low for farmers in western Canada. I would ask the minister if that is true.

Mr. WEIR (Melfort): I am glad my hon. fried has raised that point, because there has been a good deal of misunderstanding about it. In the first place, due to a shortage of feed in the United States, they took the tariff off hay and straw going into that country provided it went into the areas which have been affected by drought, where feed was necessary, but only when it was imported through certain agencies. So the tariff was not taken off except under very specific conditions. Representations were received from western Canada that a shortage of hay and straw and feed for cattle was expected there; there was also an expected shortage in the province of Nova Scotia. For that reason it was felt desirable that exporters should be licensed to export hay and straw from this country so that in Canada we would not suffer from any shortage of feed and the people who bought hay and straw in this country would have to pay a price equal to that at which it could have been sold for export. With the exception of the first five or six or perhaps ten days, though I think for a shorter period than that,

when there was some misunderstanding in reference to this matter, no person who had an order was refused permission to ship either hay or straw out of this country. So I do not feel that any person was adversely affected, except that possibly certain buyers felt that there would be a very excellent market in the United States, and at the beginning, before the situation became well known, they did go through the country stating that they did not know whether they would be able to get the feed out of Canada, and I believe they did persuade some farmers to sell to them for next to nothing. Any cases that came to our attention were followed up, and so far as we know no person suffered hardship in that connection.

Mr. BRADETTE: Is it true that the federal government helped the provincial government feed the cattle in the dried out areas? Is it true that the federal government, through their own agencies, bought some hay or other fodder in the eastern sections of Canada and shipped it to the west?

Mr. WEIR (Melfort): So far as feed goes the federal government has not absorbed any of the cost. We have absorbed some of the freight cost in connection with moving cattle out of these areas. My information is that no hay has been bought in eastern Canada and shipped to the west. The freight rate would make the cost prohibitive.

Mr. HOWDEN: With reference to exporting cattle to the British market I should like to ask the minister if the department has taken any steps or is taking any steps to improve the grade of cattle in this country and if the department exercises any control or restriction over the cattle exported to the British market. I ask these questions because I have observed an article written by Hon. D. G. McKenzie, Minister of Agriculture of Manitoba. Last summer Mr. McKenzie made a trip from Churchill with a shipment of cattle for the old country. I believe the trip was entirely successful and the cattle arrived at Liverpool, or whatever their destination was, in good condition. Mr. McKenzie went on to say, however, that the cattle were of such an inferior grade that they did the exporting of Canadian cattle a great deal of harm on the British market. Some of his consultants over there, men in the live stock business, told him there was a very good, steady market for Canadian cattle of either the beef or dairy type at about £20 per head. That, I presume, is about $100, which seems a reasonably good figure for cattle today. I have risen in connection with this matter because I thought if this were true it would be well worth the while of the stock interests of this country to improve our stock on the one hand and to see that no poor cattle were allowed to be exported, on the other hand.

Mr. WEIR (Melfort): That matter has been given consideration each year. We realize that many of the cattle that have gone to the old land have not been of the quality we might have wished, and have not been a credit to the best cattle in this country. The first year in which I looked into this matter personally I was given some very interesting information by Mr. Brown, who at that time I believe was purchasing well over seventy-five per cent of all the cattle we were exporting. He purchased and paid for them on this side of the water, and his emphatic opinion was that while if we shipped all top cattle they might bring more than the cattle we did ship, every person did not want to buy top cattle. He said he had a cargo of perhaps five hundred head consisting of two or three different grades, and that there was always some person on the market wanting a lower grade, another wanting a little better grade and another wanting a choice grade. I know Mr. McKenzie's views very well; I had a visit with him in Toronto shortly after his return. What he said is perfectly true; we would get a better price for our cattle if we shipped better cattle, but investigation has shown that we get a substantial increase in price over there as compared to what we would get here, for some of our very commonest cattle.

Mr. DONNELLY: I would like to ask the minister to explain to the committee why on the English market our bacon obtains practically the lowest price of all the bacon offered for sale on that market, and why, with our steadier supply—and we must have a steadier supply because we are shipping more—the price is not better in relation to the bacon of other countries.

Mr. WEIR (Melfort): There are a number of factors that contribute to the lower price. In the first place we cannot ship a steady supply. The hon. member knows that, in western Canada perhaps more than in the east, the farmers have certain farm practices, depending upon the season of the year and the best time to have pigs born. The result is that the great majority of the pigs are born during two periods in the east and one period in the west, so there is a gap that naturally results and which could be avoided only by giving some assurance to the farmers that during that period a premium would be

paid for their hogs. For example, in 1934 there was one very large distributing house in the old country that had worked up a large trade in Canadian bacon. They found themselves in August, September and October, and particularly in August and September, unable to obtain a sufficient supply to meet the demand they had been able to create. That was due to the fact that with the prices here compared to the prices over there, due to the practice of having pigs come at a certain season of the year there was a gap in the supply.

I agree with the hon. member that this is one of the most important problems confronting us to-day in connection with the bacon industry. In wheat we have no such trouble, because there is always a supply available. The only way I can see to overcome that situation in regard to bacon is either to have the packers combine and say they will pay a certain premium to eliminate that dip, or for the farmers themselves to combine and work out some scheme, such as a very small levy to be used to set up a fund, so that when that time comes they can keep the supply going forward that we have led the people over there to believe would be sent forward. I do not think that could be considered a bonus; it would be contributed by the farmers themselves and would be more a process of levelling up.

Then my hon. friend referred to the fact that our bacon brings a lower price than other bacon marketed in the old country. One reason for that is that Canada is a country with varying climatic conditions. Another reason is that people have gone into the business of raising pigs without having raised them in the past, and they are not as expert as they should be at finishing them or at getting the best type. Many of them sell their pigs when they are underweight, thereby leaving smaller sides. In the old country there has been a surplus of smaller sides, and for that reason we have not been able to put over as uniform an order as otherwise we would have done. Also the bacon finishing is not evenly done in different parts of the dominion. I make haste, however, to correct any impression I may have given that our farmers have not made the very greatest efforts to improve the quality of our bacon. The fact is that in the last three years the quality has improved from fifty-one per cent to sixty-one per cent in selects. Another factor has been that in the last year in particular there has been a shortage of feed not only in western Canada but in Ontario. That shortage has put many farmers in a position whereby they could not finish their pigs as well as they might wish, and they had to get them off early.

There is a great demand in Canada, too, for choice bacon, and this demand has to be met. When the market in the old country was opened up, giving us an advantage and an opening for the marketing of a high percentage of our high quality bacon, some of the supply had to be taken from the market we had established here. I can assure the hon. member, however, that we are very closely in touch with the situation, and for further assistance we have appointed a special officer who, before going overseas, visited the packing plants in Canada. He has gone to the old country and has done very excellent work in examining large shipments of our bacon which have gone over there, and has reported back as to the weaknesses, indicating how our product has fallen short of the requirements of the old country.

To standardize the quality of bacon sent out of Canada we have passed regulations whereby only inspected bacon may be exported. That does not mean that every piece of bacon is inspected, but it does mean that the standards are well known to the packers. Certain boxes or bales are inspected, and if we find there is a tendency to ship bacon below standard, very severe penalties, going to the extent in extreme cases of the cancellation of licences, may be imposed.

Mr. DONNELLY: Does the government grade our bacon which is shipped out, and are the top grades shipped? In other words, is the best grade kept in Canada?

Mr. WEIR (Melfort): There are three grades of Canadian bacon, practically only two of which are shipped, as the third is negligible. Our information is that the bacon shipped is in accordance with the grades. It is difficult to define the grades because of the different practices obtaining in the different packing plants. To get anything in the way of uniformity of standard it was necessary to have a number of meetings of the packers. The result was that they investigated more carefully than they had done before the practices of curing bacon. They visited each other's plants, and the result was that it was discovered one plant which as a rule may not have had as high quality hogs as other plants was turning out a more uniform product. For that reason their product was more acceptable. I believe one reason for their success was that they had machinery similar to that used in Denmark. The result of the meetings was that various packing plants

changed their methods of processing, so that to-day we believe we have a much more uniform type of product for export. The packers are frank in their admission that that has done more than anything else towards standardizing our product.

Then, in reference to grade, careful consideration was given to the desirability of having our bacon gain the best reputation in the old land. It was felt the best procedure would be to set a very high grade. The officials of the Department of Trade and Commerce in the United Kingdom and some of the officials of the Department of Agriculture who had visited the United Kingdom, together with people who had marketed their products over there, were of the opinion that if we put only the very top grade on the market, and that if we exported only the best quality of our bacon, we would get a certain result, but that if we sold a large quantity of our second grade the tendency would be a discrimination against Canadian bacon. All these points have been considered very carefully. We feel that on the whole what we have done has been in the best interests of our bacon market. There is, however, a great deal still to be desired in getting across a uniform product with a uniform finish and in a steady flow. No effort is being spared to achieve that end.

Mr. DONNELLY: The impression seems to have gone abroad that our packers are shipping out an inferior quality bacon, and that they set the price for hogs in this country by the price they obtain in the old country. Naturally that is a lower price. Some people have the idea that that is the reason a lower price is being paid in Canada for hogs than should be paid.

I should like to ask the minister what has become of a certain variety of hogs which was brought from Sweden only a few years ago; I refer to the Landrace hogs which were brought to Canada. How many did the minister buy; what has been the increase in number; what price did he pay for them; where are they now; and are they registered? Further, I should like to have a general idea of what is being done with them, and if any tests have been made.

Mr. WEIR (Melfort): We expect that about next Saturday there will be an increase; I know, because I was out looking at them to-day. Sixty-seven of these hogs were purchased in Sweden. Negotiations were first conducted in Denmark, but the people of that country apparently did not seem anxious to ship hogs of that quality to their competitors. Our officials finally proceeded to Sweden and in that country were able to make satisfactory negotiations to have a shipment of the hogs sent to Canada. So that there would be no danger of bringing any disease with these animals, instructions were issued to have them quarantined at Quebec for six months. After that time they were brought to the experimental farm at Ottawa, where they are now There are fifty-one females at the experimental farm, and it is our intention to have them thoroughly tested. Their gains will be watched, and an accurate record of the feed given them will be kept until they reach a weight of about 220 pounds. They will then be slaughtered and their carcasses valued in points, figured on a certain number out of a possible hundred for a perfect carcass. Perhaps the outstanding difference between these pigs and our own Canadian Yorkshire or white pigs is that the pigs imported have smoother shoulders. Their sides run more smoothly into the shoulders than obtains in the average Yorkshire pig. They are also deeper, on the whole, and their heads are smaller. The aim is to have the side form the greatest possible proportion in the weight of the whole pig. Although great improvements have been made in the matter of increasing the length of the Yorkshire pig, that length has been achieved at the expense of the ham, while the shoulder has been left practically the same. It will be of interest to know that in both Denmark and Sweden the only selective process is brought about by actual feeding. Prize winnings at exhibitions do not mean very much. That is why last year we started throughout Canada testing stations for the same purpose. Some of these pigs that have been imported from Sweden have thirty generations of tested ancestry behind them. Many were imported from Denmark to Sweden, and Sweden has made a very scientific job and keeps a very scientific record. So we feel we got the very best pigs possible.

I know the question in the hon. member's mind is, when will they be distributed? None of them will be distributed until they all have been put on test to see how they respond to the climate and the feeds of this country. We may carry out our crossing experiments with Yorkshires. They may be sent out in groups throughout the country. Many of those who opposed this importation because they had been successful breeders of Yorkshires now are among the strongest advocates of the course we took in bringing over this shipment. We are not doing anything in a haphazard way. Every care will be taken to test them before they are distributed.

Mr. DONNELLY: What is the laid down cost of these pigs?

Mr. WEIR (Melfort): The whole shipment landed in Canada cost $6,040, including all expenses.

Mr. WEIR (Macdonald): I understand that there has been some grading of hog or bacon carcasses on the rail. What success has that met with?

Mr. WEIR (Melfort): We have been carrying on for some time experimental work in testing carcasses on the rail, and last year we decided to carry out this work more extensively, starting first at Peterborough and Kitchener. It was on a voluntary basis; that is, a farmer would notify the officials whether he wanted his pigs graded on the rail or not. The result has been that practically every person there now wishes his pigs graded on the rail. They feel that by so doing they get the exact value of their pigs.

Mr. WEIR (Macdonald): There has been no opportunity of testing the value of rail grading so far as export is concerned?

Mr. WEIR (Melfort): No, grading for export is entirely independent of that.

Mr. WEIR (Macdonald): The minister mentioned a moment or two ago the grants made to the A and B class fairs.

Mr. WEIR (Melfort): The grants to the B class fairs have been increased to $1,800 and an additional $500 has been made available for competition at these fairs for junior farmers, boys and girls and junior farmer clubs.

Mr. WEIR (Macdonald): Is the regional fair grant discontinued?

Mr. WEIR (Melfort): No, the regional fair grant is still continued. This is in addition.

Mr. DONNELLY: Is it not a fact that an investigation which took place into the Landrace hog in 1909 and 1910 found that the Yorkshire hog was in many respects better than the Landrace and better even than the cross bred? It was found that it took more to feed the Landrace hog per pound of pork produced than either the Yorkshire or the cross bred, that the bacon on the prize animals came from the Yorkshire instead of the Landrace or from the cross between the two, and that in practically every respect the Yorkshire was the superior hog to the Landrace for bacon purposes.

Mr. WEIR (Melfort): There has been no investigation in this country as to the Landrace hog and the Yorkshire hog because this is the first time there have been Landrace hogs in this country. We cannot say yet which hog is most suitable for our climate and our feeds. Perhaps what the hon. member has in mind is that some years ago Denmark used to import large numbers of the large white or Yorkshire hogs from the United Kingdom. They used them to get their pure bred sires and for one cross with a view to improving their bacon. As time went on they made investigations purely from a dollars and cents point of view, and they have now entirely quit the importation, or practically so, of these large white hogs, and are now using not only for bacon purposes but for breeding stock ninety per cent I would say of Landrace hogs. That I believe is our best answer for the shipment here.

Mr. WEIR (Macdonald): This item includes live stock. I understand that a considerable number of stallions and bulls have been brought from the old country. I would also like some information regarding the bull loaning policy that has been carried on by the department for the last year or so, but as it is eleven o'clock perhaps the minister would allow this item to stand.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 19, 1935

The house met at three o'clock.

TRANS-CANADA HIGHWAY

Hon. W. A. GORDON (Minister of Labour): On February 19 last the hon. member for West Lambton (Mr. Gray) asked if I would table correspondence passing between the government and the province of Ontario concerning the trans-Canada highway and also any correspondence relating to the amount finally arrived at for the monthly grant in aid. I now desire to lay the correspondence on the table.

PRIVATE BILLS

PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

Mr. ERRICK F. WILLIS (Souris) moved:

That the petition of the Portage la Prairie Mutual Insurance Company, praying for the passing of an act to amend its act of incorporation, together with the report of the clerk of petitions thereon, be referred to the standing

committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

FIRST READING—SENATE BILL

Bill No. 35, for the relief of Stuart Lewis Ralph Henderson.—Mr. Moore (Châteauguay-Huntingdon).

KINGSTON PENITENTIARY

DENIAL OF ALLEGATION CONCERNING STATEMENTS ATTRIBUTED TO INSPECTOR DAWSON

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): Yesterday the hon. member for South-east Grey (Miss Macphail) made an inquiry of me in regard to a return which I had submitted a few days ago respecting certain reports of Inspector Dawson of the penitentiary branch. The hon. member stated that while the return went up to April 8, 1934, on April 9 Inspector Dawson had an interview with prisoner 3033 in the penitentiary. I have made a pretty full inquiry in regard to this matter since yesterday, and I find that Inspector Dawson went to the penitentiary to make an inspection and report respecting a certain matter which had been referred to him. After he had concluded his inspection on April 8, an interview was requested by prisoner 3033 and it is during the course of that interview I think it is alleged by the hon. member for Southeast Grey that certain aspersions were made against her character as stated by her yesterday. I can assure her that there is no foundation for the report. The inspector himself made no report on this interview. When inspectors or superintendents visit a penitentiary, they have a large number of requests for interviews, but they do not make specific reports in regard to them. However Inspector Dawson has assured me most definitely that during his interview with prisoner 3033 the name of the hon. member for Southeast Grey was never mentioned by him or by the prisoner, there was no comment whatever in regard to her, and I can assure her on the word of honour of the inspector that there is no foundation for the allegation which she has made.

BORSTAL SYSTEM

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask the Minister of Justice when we may expect the legislation foreshadowed in the speech from the throne in regard to the institution of the Borstal system in the penitentiaries of this country?

Hon. HUGH GUTHRIE (Minister of Justice): I expect the penitentiary estimates may be up some day toward the end of the week or some day next week and I shall then be prepared to make a statement regarding the matter.

THE BUDGET

On the orders of the day:

Mr. MAXIME RAYMOND (Beauharnois): I understand the Minister of Finance (Mr. Rhodes) is going to bring down his budget very soon. In his absence may I ask the acting Prime Minister whether it would not be possible to have a French copy of the budget speech ready for publication as soon as it is delivered? I am sure that the French newspapermen and their readers and the whole French population would appreciate that.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): No one would be more anxious than I to have the French version ready at the same moment as the speech is delivered or the matter discussed. But I would explain to the hon. gentleman that the preparation of the budget is always a very exacting labour, and hurried at the last moment, and it is with the greatest difficulty that the printer is able to prepare the English version and have it in proper shape to bring down here. I think I am correct in saying that the French version never has been ready at the same moment as the English. I shall inquire and see if anything can be done about it, but that is the situation. The Minister of Finance (Mr. Rhodes) has been giving his whole time to this for the last few days, and he will not be in his seat to-day, I think. He asked me to say that the budget will not be ready on Thursday, but he expects to deliver it on Friday.

Mr. RAYMOND: I do not like to contradict the acting Prime Minister (Sir George Perley) but I may remind him that the Hon. Mr. Robb used to deliver a French copy of his speech on the budget at the same time as he delivered the English copy to the newspapers.

Sir GEORGE PERLEY: I shall make inquiry on that point.

CANADIAN NATIONAL RAILWAYS

PROTEST OF GRAND TRUNK SHAREHOLDERS AGAINST APPOINTMENT OF AUDITORS WITHOUT CONSULTATION

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): Has the government received any representations from the bondholders of the Grand Trunk Railway in London or from a representative thereof, protesting that they should have been consulted, under their statutory rights, as outlined in section 31, Grand Trunk Act, 1862, and Grand Trunk Act, 1873, to vote for or agree to auditors, and further protesting against the passing of Bill No. 20, as passed by the House of Commons on March 5, 1935, until they were so consulted and had an opportunity to express their wishes regarding the appointment of auditors?

Hon. R. J. MANION (Minister of Railways and Canals): The hon. gentleman was courteous enough to advise me this morning that he was going to ask this question, so I looked into the matter thoroughly in order to have a proper reply, because of the importance of the subject. Because of that importance I intend to read my reply, in order to avoid any possible misunderstanding, as it may perhaps be transmitted to London.

Two communications have been received, not from bondholders, as stated by the hon. member for Antigonish-Guysborough (Mr. Duff), but from former preference shareholders whose stocks were declared of no value by the Grand Trunk board of arbitration, 1921. One was received by the hon. the Speaker, and the other by the hon. member for Toronto-Scarborough (Mr. Harris), as chairman of the railway committee of the house. Each made representations in the terms referred to by the hon. member for Antigonish-Guysborough.

The correspondents were informed that the appointment of auditors of Canadian National Railways had nothing whatever to do with any controversy concerning the alleged rights of former Grand Trunk stockholders, the auditors being appointed by parliament each year, as required by the Canadian National-Canadian Pacific Act of 1933. They are not company auditors, but auditors for parliament.

As to the voting rights of former shareholders, attention was directed to the fact that section 4 of the Grand Trunk Acquisition Act of 1919 reads as follows:

> Provided that concurrently with such guarantee of dividends and interest upon the present guaranteed stock and the present debenture stocks, respectively, the voting powers at meetings of shareholders of the Grand Trunk now vested in or exercisable by the holders of the said stocks respectively shall cease and determine absolutely.

This proviso was also incorporated in the formal agreement between the London Grand Trunk management and the Canadian government.

Mr. DUFF: I would like a copy of that.

Mr. MANION: It will be printed in Hansard, if that is satisfactory.

PAYMENTS TO AUDITORS

RETURN SHOWING AMOUNTS RECEIVED FROM THE GOVERNMENT BY CLARKSON, GORDON, DILWORTH AND COMPANY

On the orders of the day:

Mr. C. G. POWER (Quebec South): I wish to draw attention to certain inaccuracies in a return tabled in this house on March 12, 1935. The return required was one showing amounts paid by the government of Canada or any department thereof to the firm of Clarkson, Gordon, Dilworth and Company or to any member of the said firm during the fiscal years 1929-30, 1930-31, 1931-32, 1932-33, 1933-34, and from the end of the fiscal year 1933-34 to date.

The return tabled indicated only the amount paid by one or two departments of the government, whereas I think it is a matter of public notoriety, if not official information, that this firm has been engaged in work in connection with the price spreads committee, and has received considerable sums of money for that work.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, the return was submitted as I received it from the several departments. The hon. gentleman called my attention privately to the fact that it did not contain any payments made by the price spreads and mass buying commission. I immediately requested full information in order that I might submit a supplementary return. I have not yet received complete information. So soon as I do I shall present a supplementary return.

ROYAL CANADIAN MOUNTED POLICE

REPORTED PRESS INTERVIEW GIVEN BY POLICE OFFICIAL

On the orders of the day:

Hon. PETER VENIOT (Gloucester): Yesterday I drew the attention of the Minister of Justice (Mr. Guthrie) to an inter-

view given by Detective Inspector Zaneth and he said he would look into the matter. I wonder if the minister has a statement to make to-day.

Hon. HUGH GUTHRIE (Minister of Justice): I have asked the commissioner of the Royal Canadian Mounted Police to make inquiry and to report to me. I telephoned him at three o'clock and he had not yet the information.

EXTENSION OF PENSION PROVISIONS AND DISTRIBUTION OF FINES AND PENALTIES

Hon. HUGH GUTHRIE (Minister of Justice) moved the third reading of Bill No. 9, to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the third time and passed.

MINIMUM WAGE

BILL BASED ON DRAFT CONVENTION OF INTERNATIONAL LABOUR ORGANIZATION AND TREATY OF VERSAILLES

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for minimum wages pursuant to the convention concerning minimum wages adopted by the international labour organization in accordance with the provisions of part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace, and to enable Canada to discharge the obligations assumed under the provisions of the said treaty and of the said convention.

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

Mr. GUTHRIE: This resolution is largely a formality which becomes necessary by reason of the fact that I assume there will be some expenditure from the public treasury involved in connection with the minimum wage bill which I hope to introduce as soon as this resolution is passed. The resolution is presented only to comply with the rules of the house in case any expenditure should become necessary in connection with the bill.

Mr. LAPOINTE: Any remarks which I intend to make will be made when the bill is before the house.

Mr. POULIOT: I asked the acting Prime Minister (Sir George Perley) if the so-called convention was published in the Journal of the League of Nations, and he referred me to another publication, of the labour bureau. Would the minister be kind enough to read to the house the paragraph of the publication on which the resolution now before the house is based? It contains only four or five lines.

Mr. GUTHRIE: This resolution is based on the draft convention as reported in the official document issued by the international labour office, at page 149.

Mr. POULIOT: Yes, but would the minister be kind enough to read that?

Mr. GUTHRIE: That is the long resolution which was on the order paper. It was considered by this house three days ago and adopted. The resolution was printed in the orders of the day.

Mr. POULIOT: I know, but may I ask the hon. gentleman to be kind enough to read those four or five lines from the booklet he has in his hand?

Mr. GUTHRIE: I do not know which four or five lines my hon. friend means. I shall be very glad to read them if he will tell me.

Mr. POULIOT: If the minister will be kind enough to loan me the booklet I will read them to the house.

Mr. GUTHRIE: Very well, I will send it over.

Mr. POULIOT: I will take very good care of this precious booklet, which contains the draft conventions and recommendations adopted by the international labour conference at its sessions from 1919 to 1932. The work of thirteen years is condensed in this booklet, which costs 1s. 6d. or about 40 cents. This is the booklet, but it does not contain the reference given me by the acting Prime Minister, who referred to another small, very thin publication in which the matter of minimum wages is dealt with in four or five lines. The right hon. gentleman has enough legal experience to know that this draft convention does not bind us. I thought he had in his hand the official publication of the international labour bureau. This is a draft convention; it is a formula, just as I have said. I thank the Minister of Justice for once more confirming what I have said previously, and for his kind cooperation.

Mr. McINTOSH: May I ask when the bill will be ready for distribution?

Mr. GUTHRIE: The moment the resolution is passed.

Mr. McINTOSH: I am pleased you have it ready.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 40 to provide for minimum wages.

Motion agreed to and bill read the first time.

UNEMPLOYMENT AND FARM RELIEF

FURTHER PROVISION FOR CARRYING ON RELIEF MEASURES, MEETING FINANCIAL CONDITIONS AND MAINTAINING CREDIT OF DOMINION AND PROVINCES

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure respecting relief, and to provide for such payments out of the consolidated revenue fund as may be necessary for all or any of the purposes of the proposed legislation.

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

Mr. POULIOT: Just one word, Mr. Chairman, and I will be through. Some time ago from the Montreal Star I quoted an excerpt from a speech by the right hon. Prime Minister with regard to the newsprint industry and the blank cheque legislation. I believe I am in order now in referring to that matter again. The quotation was as follows:

Mr. Bennett, with a chuckle, told the audience that he had had one satisfaction the other day, when representatives of the pulp and paper industry of Canada had come and asked him whether if the provinces of Quebec and Ontario request that the government do so they would make effective one of their laws which the Liberals opposed—he had the satisfaction of their asking the government to do that which Mr. King asked his followers to vote against—"and I listened while Mr. Taschereau and Mr. Hepburn asked us to make it effective in their interest—those are some of the compensations of public life, remarked the premier.

Here I have a letter from a very distinguished gentleman, a noble son of the good old province of Ontario, the Hon. Mitchell F. Hepburn, dated Toronto, Februay 28, 1935. The letter reads:

Dear Mr. Pouliot:

In reply to your letter of February 26th, I desire to make it very clear that the only correspondence I had with Prime Minister Bennett was contained in a telegram dated November 7th, which telegram was sent following representations of members of the newsprint industry who desired a conference with federal authorities. You will note that I stated that details of application of any federal policy would be open to consideration and approval by the Ontario government. No mention was made of applying the blank cheque legislation as contained in the peace, order and good government act, which I oppose in principle, nor, as far as I can ascertain, in the industry itself in favour of application of provisions of this act.

[Mr. McIntosh.]

You will therefore note that the extract from the speech of Mr. Bennett appearing in the Montreal Star, which reads:

The quotation I have read follows, and the letter continues:

... if correctly reported, indicates clearly that he did go beyond the construction I intended to put upon the contents of the telegram itself. You will further note that no representative of the Ontario government appeared at the conference in response to the invitation extended by Prime Minister Bennett.

With kind personal regards, I am,

Sincerely yours,

M. F. Hepburn.

Jean-François Pouliot, Esq., M.P.,
House of Commons,
Ottawa.

That is the first part of it. Now, sir, let me read the telegram which was sent by Mr. Hepburn to the right hon. Prime Minister and which was tabled by the Secretary of State on February 15, 1935, in sessional paper No. 160:

1934, November 7.

Right Hon. R. B. Bennett, K.C.,
Prime Minister of Canada,
Ottawa.

I believe situation of newsprint industry now makes it advisable for manufacturers to discuss problem with you.

The Ontario government will support a policy of federal action to remedy the industry with details of application open to consideration and approval.

And that is signed by M. F. Hepburn. This is not complete, because Mr. Taschereau was mentioned by the right hon. gentleman as well as Mr. Hepburn. I have before me a flat denial given by Mr. Taschereau along the same lines as the one given by Mr. Hepburn. It reads as follows:

(Translation):

Province of Quebec
Office of the Premier
Quebec, March 16, 1935.

Mr. J. F. Pouliot, K.C., M.P.,
House of Commons,
Ottawa.

Dear Mr. Pouliot:

I have your letter of the 12th instant, to which I hasten to reply.

As the file produced by Hon. Mr. Bennett shows, I neither wrote nor telegraphed to him regarding his interview with the paper manufacturers. I have never, in any manner whatsoever, either directly or indirectly, approved the blank cheque given him by the House of Commons.

You are not unaware of the fact that I have been in very active touch with the paper manufacturers in an effort to find a solution to the problem existing to-day, particularly in Ontario

and Quebec, and to remedy a situation that threatens to become disastrous to the paper industry.

In the course of an interview at Quebec with some of the manufacturers, it was suggested that Mr. Bennett be asked to prevent the export of paper to the United States unless it was sold at a certain price which would be sufficiently remunerative to the industry. I was asked to telephone to Mr. Bennett, at Ottawa, to ask him if he would receive a delegation. I did so immediately, and Mr. Bennett told me he would receive the delegation at a date which has now escaped my mind.

I understand that the representatives of the industry did go to Ottawa. I took no part in the interview the delegation had with the Prime Minister of Canada.

I think the above sufficiently answers your inquiry.

Sincerely yours,

L. A. Taschereau.

Therefore the assumption by the right hon. Prime Minister that he had the support of the premiers of Ontario and Quebec was all wrong. I shall not say much about it, but I am complaining about the condition of the lumberjacks in the province of Quebec and the conditions of all those people who have suffered since the blank cheque legislation was passed. I shall have more to say later, but shall simply place these letters on record at the present time.

Resolution reported, read the second time and concurred in. Mr. Gordon thereupon moved for leave to introduce Bill No. 41, respecting relief measures.

Motion agreed to and bill read the first time.

ECONOMIC COUNCIL OF CANADA

ORGANIZATION OF BODY TO COORDINATE WORK OF DEPARTMENTS AND TO INVESTIGATE AND ADVISE UPON SOCIAL AND ECONOMIC PROBLEMS

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved the second reading of Bill No. 39, to establish an economic council.

He said: I made an explanation yesterday regarding the purpose and intent of the bill, and when we reach the committee stage I shall be glad to endeavour to answer any further questions which may be asked.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Morand in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. POULIOT: I would object to anyone but you, Mr. Chairman, being appointed chairman of this council.

We have no information about that. The right hon. acting Prime Minister states, "Well, it will not cost much; it will not cost much." They say the radio commission was not to cost much, but it costs a million dollars each year. They say it effects great economy, but it is only a disturbance to the listeners over the radio. It may be a cheap proposition, and it may not cost much as the right hon. gentleman has said, but the people have to pay taxes for it. We know that some salaries are increased. May I ask what the salary of the chairman of this council will be?

Sir GEORGE PERLEY: The Prime Minister is to be the chairman of the council, and actually he will not receive any remuneration for so acting.

Mr. POULIOT: Here I object to it. If the Prime Minister is chairman of the council he cannot support himself. I say this is a most absurd proposition. Here we have a council set up to assist the Prime Minister, and yet we find that the Prime Minister is chairman of that council. So far as I am concerned that seems to be the most foolish thing on earth. We have the Prime Minister supporting himself. He will be the legs and the head of the council. The acting Prime Minister must know about this, and I must say I am strongly opposed to it. The bill provides crutches for a moribund government. If the government has no information, then the only thing it could do would be to attend a correspondence school or subscribe to the Columbia lectures, and in that way get some information about economics. When we ask them questions we find that sometimes they are like fence posts; no answers come from their mouths. I know they are not children. Truth comes from the mouths of babes, but from the mouths of the ministers comes no information. Why? It is because they do not wish to have any information and because they are kept up by patronage and other silly things, rather than giving their time to the business of the state. Every person must strongly object because people find this condition most ridiculous. We have a flood of boards; in fact it would seem that we are to have a soviet government in Canada, a government by irresponsible men who will dictate the policies.

Yesterday we heard a great deal about statistics. I wonder if the acting Prime Minister knows how those statistics are compiled. He may receive information from the bureau of statistics and then do his own thinking upon them. Then, if the Prime Minister cannot act the chairman would be, ex officio

the acting Prime Minister. I wonder how he could do his work without the assistance of that council. I am sorry to have to make these observations because I realize he is older than I am, but I know any member other than a cabinet minister could dispense with the council. When they ask for a steak is it necessary to have someone cut their meat, in order that they may have a mouthful which would not choke them? They are just like children; they do not know how to work, and they must have some people to cut their meat, just as children would have. What a spectacle before the country! Here we have a government, it has been said, of supermen, men far above the average. But they cannot do anything for themselves. They have to be run about in the wheel chair of bureaucracy. They need a tutor and a guardian. Tutors and guardians are only appointed for children who are not of age and for those who cannot attend to their own business. But here we have a government of supermen, semi-gods, and they are asking for relief; they complain that they have too much work to do. I sincerely hope from the bottom of my heart that the acting Prime Minister and his colleagues, some of whom are able men, will not insist on this measure. They know that it is absurd. We have had enough of this stuff. We have had enough of those people who try to put false ideas in the heads of the ministers who form the government of this country. Who will take this government seriously when they submit such a bill as this to the house? I am sorry for the acting Prime Minister. I know that he does not need my sympathy because he is an able man, a superman, and therefore needs it much less than others, but why should such a burden be imposed on him?

Sir GEORGE PERLEY: May I say in reference to the hon. gentleman's remarks that he need not be sorry for me. I would say to him that when he gets to be Prime Minister he will not be bound to keep this council if he does not wish to. He need not call it together at all unless he wishes.

Mr. POULIOT: I enjoy very much the atticism of the right hon. acting Prime Minister. I have great respect for old age and I shall not reciprocate, but may I ask him a question? Will the Prime Minister be responsible for this board mentioned in clause 2?

Sir GEORGE PERLEY: The Prime Minister is the chairman of the board but there will be regulations for the conduct of its business and the carrying on of its meetings.

[Mr. Pouliot.]

The Prime Minister is not bound to attend every meeting of this council, of course. A vice chairman can be selected to take his place.

Mr. POULIOT: I understand also that the acting Prime Minister will ex-officio be the acting chairman of this board.

Sir GEORGE PERLEY: The Prime Minister will be chairman, and the regulations under which the council will act will provide for a vice chairman or someone else to preside at meetings in the absence of the Prime Minister.

Mr. POULIOT: That is unfair because if the Prime Minister is absent there will have to be an order in council appointing the right hon. gentleman as acting Prime Minister. There is now an order in council to the effect that whenever the Prime Minister is absent he is to be replaced by the right hon. gentleman from Argenteuil (Sir George Perley).

Sir GEORGE PERLEY: Yes, but the hon. gentleman knows very well that this may not continue. Someone else may take the Prime Minister's place in his absence.

Mr. POULIOT: I am sorry I did not catch a word of what the right hon. gentleman said.

Sir GEORGE PERLEY: I say that the hon. gentleman assumes that I shall continue acting as Prime Minister. There is no ground for that assumption whatever. After this bill is passed and this council is set up there may be some other gentleman who will act in the absence of the Prime Minister of the day.

Mr. POULIOT: On that point I quite agree with the right hon. gentleman because there will be a turn of the tide at the next election, but just now I take this view. At present the right hon. gentleman is acting Prime Minister. He is so either in virtue of an order in council which has been passed recently or in virtue of an order in council which was passed some time ago providing that whenever the Prime Minister was unable to attend to his duties he would be replaced ipso facto by the right hon. gentleman. Therefore the right hon. gentleman is the acting Prime Minister. That is my humble opinion and I am sure he will not deny it. Therefore if he is acting Prime Minister so long as this government is in power, I do not see how another vice chairman of the board could be appointed because if this legislation is necessary, if it is necessary for the government to have such an economic council, and if the Prime Minister is to be chairman of that board, the acting Prime Minister will be superseded by the vice chair-

man, which is absurd. It will mean that the acting head of the government will play second fiddle on the council, and that is why I object.

I think that those who have drafted this bill have been most inconsiderate of the acting Prime Minister. When he now jeers at me I shall reciprocate by paying a tribute to his high office and his high character. I regret very much that this bill is so unfair to him. May I ask any one of the seven ministers of the crown whom I see before me to propose an amendment to this bill providing that in the absence of the Prime Minister the acting Prime Minister will be chairman of this council? I think it would be most heartless of them to refuse to accept my suggestion, which is made in good faith and out of regard for the right hon. gentleman who leads the house at the present moment. I see on the government benches over there supporters from the province of Quebec. I shall not name them, but some of them are fond of speaking about the respect that we must have for the Prime Minister. It seems they have no regard at all for the acting Prime Minister, a man from their own province, the only member of the government from that province who has been acting Prime Minister of Canada. I regret very much that they are so hard upon him, and I strongly protest on behalf of the members from the province of Quebec against this injustice that is being done to the acting Prime Minister by his Tory colleagues from the province of Quebec.

Sir GEORGE PERLEY: Mr. Chairman, I do not think that the remarks of my hon. friend require an answer. I do not understand what he means at all. He is very solicitous about the acting Prime Minister, but there is nothing in this bill to hurt me. Moreover I have been able to look after myself even before I knew the hon. gentleman from Témiscouata.

Mr. LAPOINTE: Mr. Chairman, I desire to say just one word. I would not like to disagree with my hon. friend from Témiscouata (Mr. Pouliot) but I think it is glorifying this bill to oppose it in this way. I do not think that there is anything in this bill. It is like the rest of the program of reform, and the quicker we pass it the better.

Mr. POULIOT: May I sum up everything I have to say in one sentence, Mr. Chairman, and that is that this legislation is most absurd and it will not be swallowed by the people of Canada.

Section agreed to.

Section 3 agreed to.

On section 4—Council.

Mr. GARLAND (Bow River): How does the government propose to elect the persons referred to in subsections (b) and (c)? Will this be done at the request of the organizations concerned or does the government propose to undertake the responsibility for the nomination of all persons?

Sir GEORGE PERLEY: It is provided that these appointments shall be made by the governor in council. I need not tell the hon. gentleman that when the time comes for the election, every effort will be made to get first class men. The government will take such steps as they consider necessary to select such men.

Section agreed to.

Section 5 agreed to.

On section 6—Duties of the council.

Mr. IRVINE: Before this section is carried I should like to suggest that the responsibilities of this body be increased. I am very glad that the government has made a move towards the appointment or the creation of a body that will do some thinking. I do not say this to be critical of the administration as I think this administration is perhaps as good as any other. For a long time I have held the view, as have many other hon. members, that we should have a body to do some real economic planning for Canada and I assume that this is the beginning of such a body. Section 6 sets forth the duties of the council but I do not think it goes far enough and I propose to move an amendment to add a clause (f), which will read:

Recommend to the government policies calculated to distribute the goods and services which either are now available or which may be made available as the result of our increasing productivity.

Some hon. MEMBERS: Carried.

Mr. GARLAND (Bow River): If it is possible, I should like to have some order from the hilarious gentlemen to my right. Perhaps they are celebrating to-morrow's dinner in advance.

Mr. STEWART (Edmonton): We are celebrating this bill.

Mr. LAPOINTE: We are celebrating C.C.F. policies.

Mr. GARLAND (Bow River): I rise to support the amendment moved by the hon. member for Wetaskiwin (Mr. Irvine). During this session there has been the closest unanimity in matters of legislation between the official opposition and the government.

Never before in my experience in the House of Commons have I observed such anxiety on the part of the opposition to support proposals made by the government. This is an extraordinary illustration of the condition to which the party to my right has, shall I say fallen or risen? I do not know into which category they should be put. They talk about an alliance between the Cooperative Commonwealth Federation and the government but let me assure them that they have always been far closer to the government than have this group. For example, they are so anxious to pass this particular legislation that they are ready to shout it through committee. On the other hand, we propose to improve it because it bears only a most distant resemblance to the suggestions which have come from this corner of the house in regard to such a council. We never envisioned such a ghost of a council as this one.

Mr. MACKENZIE (Vancouver): This is a shivering wraith.

Mr. GARLAND (Bow River): The hon. member for Vancouver Centre (Mr. Mackenzie) speaks of it as a shivering wraith but he seems more than anxious to support it and have it pass the house.

I think something should be said about this measure as it seems to be merely setting up a sort of Prime Minister's brain trust and I am not at all sure that a brain trust of the character likely to be selected by the governor in council of the present administration will produce anything more than what the Prime Minister requires them to produce.

An hon. MEMBER: An echo.

Mr. GARLAND (Bow River): Precisely, an echo. We have had an illustration of this in the great country to the south where a brain trust has been operated and directed by just the type of mentality as one would anticipate will be directing this council. I think this will be the case whether the Conservative party is to have the direction of it or whether my friends to the right happen to come into power. A very frank report has recently been made upon the operations of the National Industrial Recovery Act. This report was prepared by the research and political division of the NRA and, therefore, has the imprimatur of authority upon it. The meat of the report is contained in seven lines, totalling ninety-five words, which appear on page 24 of the report. These seven lines sum up boldly and devastatingly the effect of the NRA and the results of the actions of the brain trust in that country. I quote:

Note that although payrolls in December, 1934, were only about 60 per cent of the total in 1926, dividends and interest were 150 per cent of their total in 1926. In short, the income enjoyed by those who received dividends and interest was 50 per cent higher than in 1926, even though the national income has declined nearly 40 per cent since that date and volume of production has declined by one-third ... clearly the recipients of profits have not failed to enjoy their proportionate share of the increase in industrial recovery.

That is taken from the official report of the operations of the NRA. It is very clear that in spite of the ballyhooing which has taken place in the press and the radio speeches which have been delivered, the NRA, directed as it is by a capitalistic minded government, has been directed with the idea of sustaining the profits of the few to the extent which they could be sustained and of passing on as little as possible to the masses. That that has been the result is proven by this report. I therefore suggest this thought to the committee, that any such economic council as is now being proposed under the guidance and direction of those who would continue the existing system, can mean in the long run just precisely the result that has already been shown in the United States in its attempt to do the very same thing with the system.

I could go further afield as I have done on another occasion and produce similar illustrations of the futility of attempting to regulate or direct capitalism by any economic council of any kind whatever. In short, the fruitfulness or usefulness of an economic council will depend entirely upon the policy behind its creation, the policy for which it is established. I contend with the hon. member for Wetaskiwin that the primary policy that should be the very basis of every activity of this economic council should be to ascertain first the potential productivity of the country, something concerning which we have no accurate information; to correlate those facts; to ascertain the total consumption of which the country is capable if real demand were satisfied, and to bring those two functions into harmony so as to make it possible for the Canadian people to consume the maximum quantity of what they produce. If that be the purpose of the council, then indeed it may be fruitful, it may justify the not overly enthusiastic praise of the hon. member for Red Deer yesterday when he said that he was glad to see that the proposal made by him on behalf of this section of the house was at last bearing fruit. As I heard him say that, it occurred to me that he was in the position of a gentleman who had planted a McIntosh Red and was now reaching out his hand to collect a very

sour and very small crabapple. That is just about what this economic council appears to be in the light of the suggestion made from this corner. We never envisioned such a thing as a prime minister's committee; we want a national council that will undertake to discover in an effective way the productive powers of the country and then advise as to how best the maximum consumption by the people of Canada may take place.

While I am on my feet, may I suggest that the idea of having this council tied up to the Prime Minister and his department shows a great weakness. This council should have complete freedom of action without direction or interference from any authority other than that which is laid down as a matter of definite policy to be pursued, a definite objective to be obtained, such as the one which has been already outlined by the hon. member for Wetaskiwin. To tie up such a committee for example to the national research council would also be a mistake. May I pause here just momentarily to take issue with the leader of the opposition? There is no relationship whatever between the character of research that such an economic council as this might do and the character of research that is carried on by the national research council. One is deductive and the other inductive as I suggested to the right hon. gentleman yesterday. In the one field of research we experiment; we take for example the livers of one hundred dogs and treat them in different ways in the hope that we may find out something. We do not know before we start what the result will be; in that type of natural scientific research we have not necessarily the faintest conception as to what the result will be, but we just keep on experimenting, trying to find something. We may have an objective, and very often find something entirely different from that which we set out to find. This type of economic research is research that is based on the ascertaining of definite facts that will be admitted. The facts having first been admitted, conclusions are to be drawn by bringing those facts together in certain order or fashion and arguing to certain conclusions. The basis for economic research must be and will continue to be almost entirely statistical and therefore factual. The strength therefore of your statistical bureau will to an extent determine the success of the work of such an economic council as this is to be. I would suggest to the government in closing on this point that there are two matters to be taken into consideration: first, the general policy to which this council should devote its work and, second, the strengthening of the one body that can make this work possible, the research council itself. The last clause of this bill provides for the tabling of reports each year by the secretary of the council, but the wording of that clause is altogether too slack. It states:

> The secretary shall prepare an annual report to the minister with regard to the work of the council during the preceding year, which report shall be tabled in the House of Commons.

In my opinion the acting Prime Minister would be well advised to add the words "and findings" after the word "work," so that the house would be advised from time to time, as we are justified in requesting to be advised, as to the result of the research undertaken by this body on the questions it investigates during the year. I suggest most strongly that the amendment of the hon. member for Wetaskiwin should be supported by the government and carried by the house.

Sir GEORGE PERLEY: I regret very much that I cannot see my way clear to accept the amendment as proposed by the hon. member for Wetaskiwin (Mr. Irvine). As the hon. member for Bow River has been the one who has explained the purpose of this amendment, may I say in the first place that it delights me to be able to agree with him in one of the remarks he made, and that is that he does not accept the view put forward by the leader of the opposition. I do not myself agree with the leader of the opposition and I told him so yesterday. There is this one point fortunately on which the hon. member for Bow River and I agree, and that is that there is no relationship whatever between the problems of scientific research and those of economic research. Therefore I consider that the suggestion put forward yesterday by the leader of the opposition that this council might be an adjunct of or in some way tied up to the council for scientific research is not a practical one. The hon. member for Bow River has made some explanation of his views on that subject, and I agree that it requires an entirely different type of mind to consider scientific problems from what is required to consider economic questions.

With that reservation I find myself in disagreement with the hon. member for Bow River (Mr. Garland). This is an advisory council. I tried to explain it as fully as I could yesterday. It has no executive or administrative functions whatever. The work of the council will be on such subjects as may be delegated to it or on which it may be requested by the Prime Minister to report. Its object is to enable the Prime Minister

in regard to the many problems he has to face, to have at his command a body to which he can make requests for inquiry and report about any matter of government or public interest which he thinks advisable to refer to them and regarding which they may be able to help him.

The hon. member for Bow River has referred to the NRA of the United States. But this is not that type of legislation at all. The administrators of the NRA were given great authority, and administrative functions of much importance, but the council here proposed is to have nothing of that sort. The hon. member for Bow River expressed the opinion also that this should be an independent national council with authority to consider such problems as it wishes—

The CHAIRMAN: Order.

Sir GEORGE PERLEY: He urges that this council should have freedom of action to consider any problem on which it chooses to make representations to the government. But that is not the type of body that we have in mind at all. The government itself is the best judge of what problems it should submit to this council for consideration and report. My hon. friends opposite are fond of saying over and over, to keep up their courage, that they will be in power after the next election—

Some hon. MEMBERS: Hear, hear.

Sir GEORGE PERLEY: If that be so, they will find this body a great help to them, but they certainly do not wish to give to it the functions of the government. It should have no independent functions.

There is nothing further that I wish to say on the subject except to reiterate what I said yesterday, that this council is to be purely an advisory one; and to put anything in the bill which would suggest that they should have power to take up questions of their own volition and report and make recommendations to the government regarding methods of policy is something with which I would ask the committee not to concur.

Mr. MacNICOL: I should like to say a few words in support of the proposed economic council. I am surprised that hon. members opposite should treat an important measure of this nature with so much levity.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: As a business man I cannot help but feel that such a council as this will be a great support to the government.

An hon. MEMBER: They need it.

[Mr. E. J. Garland.]

Mr. MacNICOL: That is all very well, the present government will be here next year to make use of it.

Mr. CASGRAIN: You are a false prophet.

Mr. MacNICOL: Hon. members opposite, although receiving this resolution with so much levity, have not ceased to indicate on numerous occasions that they are willing to pass clause by clause without discussion important measures each clause of which should be considered carefully by those who occupy seats in this house. Every member is sent here to give his best attention and his considered judgment to whatever matters come before him, but, Mr. Chairman, there has not been either good attention or considered judgment given by my hon. friends opposite to several of the important measures that have come before the house this session, including this one.

The proposal for an economic council is not a new one. Hon. members opposite seem to indicate by their actions that they think it is something new, but the proposals to establish an economic council were not considered in other houses with the levity with which hon. members opposite have treated this resolution. In Germany an economic council was set up in 1919, in Jugoslavia in 1921, in Poland it was considered about the same time but it was not carried into effect. Both Spain and Portugal established economic councils in 1924, France in 1925, Italy in 1930 and Great Britain in 1930. Surely all those great nations did not consider a matter of this kind something to be laughed at and passed without any discussion. Those are great nations, and they must have considered that such a council would be of benefit in promoting industry and providing employment. It is that function of an economic council in which I am interested; if it does not provide employment by promoting industry I am not interested in it, but I am interested in anything which will promote employment. Hon. members on the opposite side know as well as do hon. members on this side that one of the main purposes of our being in session to-day is to promote employment—

Mr. POULIOT: We hear you, but we do not know yet what you propose to do.

The CHAIRMAN: Order.

Mr. MacNICOL: If the hon. member keeps on talking on everything as much as he has talked this session, as a general authority on every subject that comes up, this house will never get anywhere.

Mr. POULIOT: Well, we are going together.

Mr. MacNICOL: Also I should like to tell the hon. gentleman that I do not interrupt him when he is talking and I would like to receive the same courtesy from him.

An hon. MEMBER: He is the leader of the opposition.

Mr. MacNICOL: In 1931 the United States government under President Hoover appointed a Senate committee to consider this same subject. The United States Senate is composed of big men. It is one of the greatest second chambers in the world. It has more legislative authority than any other second legislative chamber in the world. That Senate committee considered for some time, the subject of the establishment of an economic council, and made a thorough and exhaustive survey, inviting to appear before them the most outstanding business men in the United States, the leading agriculturists, professors, labour men, and leading men in all walks of life. After debating for several months they recommended to the government that an economic council should be appointed. Whether that recommendation has been carried out I cannot now say definitely. What they did say was the objective of such a council:

> We propose a national economic board, appointed by the president with the advice and consent of the Senate, and with preliminary advice from various national organizations. The members should represent special types of expert knowledge rather than special economic interests. They should include men expert in finance, scientific management, labour relations, economics, and agriculture or agricultural economics.

Now if such a board is constituted with good intentions, as I believe is intended by this government, I cannot see how anything but benefit could result. All hon. members of this house give their best judgment, or they should, to the proposals that come before them for legislative action, recognizing that one of the principal purposes of governmental action is to provide employment for the citizens of the country. Having that in mind I cannot see how anything but benefit can result from any government enrolling in support of the cabinet the ablest men obtainable from outside to give advice as to ways and means of providing employment for the citizens. Yet here we have this proposal received as if it were a joke. I deplore that attitude. As an ordinary business man I feel that members of this house should get down to the purpose for which they are here, and legislate in the interests of our people. Certainly calling "Carried" to everything that comes up merely in order to get it through so that the session may be ended, in the expectation that there will be an early election, is not their purpose here. I will tell hon. gentlemen that the people of Canada are carefully scanning what goes on in this house; they are listening to what is being said here and they are not at all in accord with the attitude of the opposition who call "Carried" to most everything that comes up. Hon. gentlemen opposite will learn soon enough that there is to be an election this year; I am not a prophet but I will tell them that when the bell rings they will have a merry dance throughout the country.

In his remarks the hon. member for Bow River (Mr. Garland) became more or less mixed up; he started comparing this measure to the NRA. I spent some time in Washington when the NRA was up in congress; I also had conferences with a number of leading members of congress and of the senate, and I can say that this economic council is not at all an NRA matter, so why try to draw a red herring across the trail in order to promote opposition to a bill which I believe will be of some considerable benefit to the country. I am happy indeed to support this measure; I feel confident that when the government enrolls in its support or rather as a source of advice and information the able men it undoubtedly has in view, to meet with members of the cabinet and others on questions of business, of employment, of agriculture and of commerce, some good will be done which will benefit this country.

Mr. IRVINE: Just before my amendment is carried, Mr. Chairman, I want to make it clear that I am not arguing that there is no benefit to be expected under the bill as proposed. I think we all will be quite ready to admit that a body that studies, investigates, reports and advises upon questions relating to the general trend of social or economic conditions or to any social or economic problem of Canada, and that authorizes investigations in that behalf is a body that will be of service. Further it is provided that this body shall make recommendations to promote and coordinate social and economic research within Canada; that it shall make representations to coordinate the activities of a social or economic character of the several departments of the government of Canada. That is all to the good. The body also is to make recommendations as to the organization of statistics as the basic data required for social and economic investigations, and to publish such reports and findings as may be considered to be in the public interest.

These things are all to the good, but I do not think they are good enough. The acting Prime Minister points out that the idea the government have in mind is very different from the idea proposed in the amendment I moved; he says that the body the government envisage is of a different type from the body indicated in the amendment. That may be so, in which case I am not as interested in the legislation as I otherwise would be. But even if my amendment suggests a body of a slightly different type, if it is a better type perhaps the government might be persuaded to change their mind. I should like to see one government sufficiently broadminded to enlarge its legislation in line with a suggestion by a private member, if that suggestion should be a little better than the suggestion of the government, and I think this is a little better, not because I moved it but because the great problem of Canada is what it is and because of the fact that due to our failure so far to solve that problem this is the greatest thing before the people of Canada to-day.

I think we ought to settle what is the objective of this body. I disagree with the acting Prime Minister when he indicates that it is a prime minister's problem that is to be solved. It is not a prime minister's problem with which we are dealing. I have no objection to any prime minister who may be in office having at his disposal and command all the technical assistance that he requires; I think he ought to have that assistance in the performance of his specific duties, but presumably we are making provision for the appointment of a national council to deal with the national problems of this country, the problems of the people of this country, and in my opinion such a national council will fail in its real service to the people and will not be worth the cost of its maintenance if it is merely the echo of any government.

Sir GEORGE PERLEY: I am sure the hon. gentleman does not wish to be unfair. I think if he will read what I said he will find that I made no suggestion that this should be a prime minister's council. Rather I suggested that it should consider the problems put before it by the prime minister, which are the problems of the people of this country that we are all anxious to solve. Therefore I would ask the hon. gentleman to change what he said a bit, because I never suggested that this should be a prime minister's council.

Mr. IRVINE: I shall be very glad to change anything that may look like misrepresentation, because I assure my right hon. friend that I had no desire to misrepresent him in the slightest degree. I think perhaps I should have said that the interpretation of the council's functions as given by the acting Prime Minister appeared to me to reduce it to nothing but a prime minister's council.

May I make that point clear in this way. Supposing this legislation is passed in its present form; the Prime Minister, whether he be the present right hon. gentleman, the leader of the opposition or the hon. member for Winnipeg North Centre, as soon as he takes office becomes chairman of that body, and immediately the council is tied to the policy of the government in office. If it should happen that the present Prime Minister or the leader of the opposition should be the chairman of that council then the very first thing the council will have to do will be to find policies that do not disrupt the policies of the government. Policies that might save this country might have to disrupt the government, but if the Prime Minister has been elected on the basis of maintaining the capitalistic order and his advisory council comes along with policies adverse to that idea, then immediately they are against the spirit and will of the government of the day and no attention will be paid to their work. Indeed, they will not do any work along that line; all their energies will be devoted to trying to find some way of dealing with capitalism as it is without making any changes which might be warranted by the economic facts. I am contending, Mr. Chairman, for a council that will be free to advise on the facts that are at hand, and to advance policies based upon those facts, whether or not they be acceptable to the government of the day. I do not say the government should be compelled to accept the findings of the council, but I do say those findings should be made public, and the data upon which the findings are based should be known to everybody. A government which refused to accept the recommendations should accept the responsibility entailed therein. Otherwise I do not believe the council would be of very great service to the Canadian people.

Sir GEORGE PERLEY: May I remind the hon. member that subsection (e) of section 6 provides that the council shall publish such reports and findings as may be considered to be in the public interest.

Mr. IRVINE: That was the point upon which I was making my claim, namely, that provision is already made. I do not wish to be understood as advocating that the deliberations and recommendations of the council should be obligatory upon any government.

On the other hand the council should be free to make whatever recommendations the facts at their command warrant; they should be free to make the recommendations public, and then the government should take the responsibility for accepting or not accepting such recommendations. I believe firmly that if a carefully selected council, such as is here suggested and as will no doubt be appointed, were commissioned to find a way to distribute to the people of Canada the goods which those people can produce, such council could find a way to do it. It could, if it were left alone. Until we do have such a council and proceed on a basis of fact rather than on a basis of party tradition we will not find a solution for the problems with which we are confronted to-day. I would urge that the government change its mind in this regard. Such a change would ensure a better council than is now indicated; certainly it would not be a worse one. I do not see any common sense in a government taking the position that it will receive no suggestions from any outside people, and that the bill must go through exactly as it appears on its introduction, no matter how many improvements may be suggested. The government would not be harmed, indeed it would be helped, if the bill were improved as hon. members in this corner of the house have suggested. I again urge the leader of the government to reconsider the decision he has indicated to the house, and to allow hon. members at least to vote on the measure according to their individual ideas and not on party lines.

Mr. MANION: Mr. Chairman, I wish to say a few words concerning the bill, not because the explanation given by the acting Prime Minister lacked anything, but because I have been surprised this afternoon when I have listened to hon. members opposite ridicule the measure. I am in entire agreement with the hon. member for Toronto Northwest (Mr. MacNicol) who spoke only a few moments ago. We have before us a bill which hon. members opposite are attempting to ridicule out of court. Other bills which have been brought before this chamber and have been described as measures of progress and reform—the unemployment insurance bill, the eight hour day bill, and various others—hon. members opposite have tried to destroy, by declaring them unconstitutional. This measure they cannot prove unconstitutional, so they attempt to ridicule it out of court. If I may say so—and I am speaking as seriously as I have ever spoken in this chamber—to my mind this bill, far from being worthy of ridicule is the best measure we have introduced. I make that statement in all sincerity. The government has introduced progressive measures which may not have been as satisfactory as hon. members opposite or some hon. members in the third party might have desired. In that class we had the unemployment insurance bill, the eight hour day bill, and so on. No matter what may be said about them the fact remains that they were progressive measures, and were in line with present day world progress. I say the bill now before us is just as much in line with world progress, or even more, than the proposals contained in any other bill.

I remember, sir, that which apparently hon. members opposite seem to forget on all occasions, namely, that this world has been going through a period of crisis the like of which has never before been known. We have been going through an economic hurricane which has never been equalled. To-day that is but a platitude; every person admits it. Changed conditions require changed laws. The rest of the world absorbed that idea long before this; according to my information thirty-nine countries have instituted bodies similar to the one suggested in this measure. I admit quite freely that the bill may not make perfect law. After all, no government bringing in a measure expects perfection at the first attempt. I have no doubt imperfections will be found in it, and I have no doubt that some of the suggestions offered by hon. members in the third party, members who take a more constructive stand than do hon. members opposite—because their stand is entirely destructive—may ultimately be found necessary. I am free to make that admission. I must say, however, that some hon. members in the third party are destructive to a degree which does not serve them well and is not worthy of their ability. The hon. member for Bow River is notably one of those. He has an acute mind and a fine gift of speech, but I must say to him in a friendly spirit that the last few times he has discussed measures in this chamber he has adopted a destructive attitude not worthy of him and one which I believe will in the long run do him harm. For example, I will illustrate what I mean. To-day he finds fault with the whole bill because it is not perfect. I admit it is not perfect. I suggest that perhaps no two hon. members of the house would draw a bill in exactly the same language. But we must remember that the hon. member took the same attitude in regard to the unemployment insurance bill. Because it was not satisfactory to him and because

it did not embody certain ideas which he thought should be incorporated he voted against it. He and two other hon. members opposed the measure; I refer to the hon. members for Témiscouata and Labelle. I do not criticize them for voting against the measure; that is their privilege. I must say, however, that at a time like this, the position taken by the hon. member for Bow River, namely, that if he cannot have a bill passed one hundred per cent as he thinks it should be he will vote against it, is not worthy of his ability. I mention these points in a friendly way, and merely make the observation that his action does not constitute constructive criticism nor is it constructive in any way.

Hon. members opposite do not pretend to be constructive. In the last four or five years they have never pretended to be anything but destructive. For six sessions—and on many occasions they have referred to the fact that we have had six sessions—they have done nothing constructive. Their whole attitude has been one of fault finding and destructive criticism—nothing else. I do not expect better from them, but I do expect better from the hon. member for Bow River, a man of great ability and one who, for his own sake, I suggest might exercise a little more constructive effort, if he wishes to have legislation passed as he would like to have it.

The reason I felt impelled to speak was that I consider this to be one of the most constructive measures any Canadian government has brought forward. To-day we have such problems as unemployment—and I am laying aside the railways problem for the moment. Not only in Canada but in the world as a whole is there any problem which so urgently requires solution as that of unemployment. All hon. members would like to bring about a solution. If any hon. member—and I do not care who he might be—brought forward a solution of the unemployment problem, I believe I should support it, irrespective of the other members in the house. But so far, having read as widely as I am capable of reading, and having sought the ideas of other people, economists and others, I have not yet seen a solution for this very serious, critical and vital problem of all countries. We know that there is no solution at present because all countries are to-day suffering from it at least as severely as we are. The United States has twice as many unemployed as we have, and Great Britain more than we in proportion to population, and all the other countries of the world are faced with the same problem, and to a greater degree in proportion to population than we are. Then let me suggest that a group of men such as is proposed in this bill, if they are given a problem such as that to consider, if they give their best brains to it as fifteen men of this type will do, may well succeed in bringing forth a settlement of such a vital problem to this country and to the world in general as unemployment.

There is the question of international trade. We all know that there has grown up economic nationalism throughout the world, which was really the basis of the calling together of the economic conference held in London a couple of years ago, and which really accomplished nothing. But there are methods by which economic nationalism may be decreased, and methods by which international trade may be increased.

There is the question of international debt, the question of interest payments which have been repudiated to a great extent by many of the countries which took part in the war. And finally perhaps the most urgent question of all, and one which is in a sense bound up with unemployment, is the question of the distribution of the products which we can produce in this country and which are produced by other countries. The countries in the world to-day have the ability to produce, if they could get down to business, more of food and clothing and shelter than is required by the peoples of the industrial countries of the world at any rate. But all the countries of the world have failed in working out anything in the shape of a method by which these products can be distributed. My hon. friends in the third party have taken a very strong atttiude on this question, and rightly so. I have done it myself out in the country, and all of us I believe, the best brains in the country, our best industrial brains, our business men and economists, must endeavour to work out some solution of that problem of distribution of the products of the farm, the factory, and the forest, which we are able to produce in the vast abundance of to-day.

May it not be that this economic council which we are setting up by this bill will, by sitting down and thinking over these problems, and studying them as members of the government have not time to do, bring forward some solution for even one of the problems I have mentioned, and I have only touched the fringe of the many problems that can be dealt with by such a council.

This council is for economic research. It has already been pointed out by some speakers that there are two types of research. We have to-day a scientific research

council which is conducting research along scientific lines, by experiments in laboratories and so on. But the council that is proposed in this bill is an economic research council, a council which will study social and economic laws with the object of solving those problems which have arisen because there is something wrong in the whole social and economic system of Canada and other countries. It has been pointed out by the right hon. gentleman who introduced this bill that this council is for the purpose of inquiry and report, for the purpose of advising the government and advising this parliament and indeed the people of this country. It has no governing authority. This same type of advisory council has been established in nearly all the progressive countries of the world. I made it my business while the debate was going on to look up a list of the countries which have established some such council as this. Germany has what they call a federal economic council; Italy a national council of corporations; France and Belgium, a national economic council, and Czechoslovakia, Spain, Japan, Chile, China and even Russia have some such council as this which we are proposing to set up. My hon. friends laugh. Some of my hon. friends in the far corner sometimes point to Russia as one of the proofs of failure in this country. I think Russia at any rate has had the sense which apparently the official opposition and some of my friends in the far corner do not seem to have, of setting up an economic council of this sort. Great Britain since 1930 has had an economic advisory council, and its purposes have been described as follows:

> To advise His Majesty's government in economic matters, to make continuous study of developments in trade and industry and in the use of national and imperial resources ... and of all aspects of national, imperial and international economy with a bearing on the prosperity of the country.

That is exactly the purpose of this council. It will study the problems which the government of the day or parliament desires to submit to it.

The United States has a council of economic research. It is a private body, supported by private donations. Altogether there are 39 different countries of the world which have established such a council as this. Surely then it is not a strange thing that Canada should be the fortieth country to do it. Surely we are not to be ridiculed and laughed at if we set up a council which 39 other countries, most of them greater in population than us and many of them richer, have already set up. Here is a council to be composed of seven government officials, five men from economic bodies, and three experts.

May I just say here, as one who has been in this house for a great many years, that I do not believe this parliament or this government or previous governments have made sufficient use of the very outstanding ability which we possess in the civil service of this country. In my opinion we have talked too much about the boundless ability and brilliance of the civil service in other countries, such as England particularly, and in that way unconsciously we have belittled our own civil service. I want to say here publicly to-day that in my opinion our civil service is equal to any civil service in any other country of the world. We have in this country a civil service which during the imperial economic conference held in Ottawa in 1932 so ably organized the arrangements and work of that conference that it was stated by those who attended it that never in the history of imperial conferences had the organization been so ably done. That is only an illustration. All of us can name able civil servants. We have able deputy ministers, and heads of branches of departments who are outstandingly able men, leaders in their particular field. Then is it a mistake to take seven of these well qualified officials, say the head of the statistical branch, deputy ministers and experts, and put them on a council and ask them to work together instead of working as they do at present more or less in opposition to each other? Is it a thing to be ridiculed that we ask seven of them to link up their activities with those of three heads of economic bodies, labour unions, if you like, and manufacturing associations—I am giving these thoughts just as they occur to me, Mr. Chairman, just thinking out loud—and assisted by three experts? Is the government to be ridiculed because it has had the wisdom to do what thirty-nine other governments have done? Surely my hon. friends opposite have not thought over this sufficiently or they would not take the attitude of endeavouring to kill this proposal by ridicule, just as they have endeavoured to kill by constitutional argument a number of the other reform measures of the government. Over and over again as the government has brought forward its reform measures they have shown that they are opposed to them and they have tried to make them look ridiculous, but they have finally voted for them, except the hon. member for Témiscouata (Mr. Pouliot) who had the courage to vote against the unemployment insurance measure. And they will not vote against this measure. They are trying instead to kill it by kindness, to behead it by ridi-

cule. Their attitude is: We are all for this, but we want to chop off its head. That is not killing, according to their point of view. I trust that my hon. friends will be able to see as clearly as I do the importance of an economic body such as this, which it has been found well to set up in thirty-nine other countries of the world, Canada making the fortieth. I suggest that they do not take the attitude of belittling an organization such as this which can certainly do no harm, and to my mind must inevitably do some good for the people of this country and for the government and parliament of Canada.

Mr. POWER: The observations of the hon. Minister of Railways (Mr. Manion) and of the hon. member for Toronto Northwest (Mr. MacNicol) who preceded him should really I think cause us on this side of the house some perturbation. During the last three or four months every time that any hon. gentleman opposite stood up it was to tell us that we had never offered anything but criticism of the government, but in this particular instance we are being chided and verbally chastised for not saying anything, and we are being told with all vigour and eloquence for which my hon. friend the Minister of Railways is famous that we are not doing our duty by the country. I think the hon. gentleman will admit upon reflection that he has been somewhat unfortunate in the instances which he gave to show the need of this economic council. He said that we had a grave problem of unemployment but it seems to me that we had that in 1930. Nobody said in 1930, "I will call an economic council in order to solve unemployment." A suggestion was made that we should call a conference of premiers but the reply to that suggestion was, "Not conferences but action."

Mr. MANION: We had four conferences of premiers.

Mr. POWER: The answer of those now leading the government was that they would cure unemployment. That was the answer given in 1930, and I think the Minister of Railways will admit that as recently as last January it was stated publicly on behalf of the government that unemployment would be cured before this government went out of office. I would point out that they have not very long to go and they had better hurry. None of the reform measures which has been passed by my hon. friends has been of any value in providing a cure for this problem. None of these measures has provided alleviation or even a palliative.

[Mr. Manion.]

Another perhaps more striking instance was given. It was stated that this economic council was to be set up to deal with international trade. What has become of blasting? It was stated from one end of the country to the other that we were going to blast our way into the markets of the world. We did not ask for an economic council, that was to be done by the government. Canada first was the cry. In 1930 the people elected not an economic council but a blaster.

Mr. HANBURY: A red-blooded one.

Mr. POWER: I should not like to talk to the minister about being red-blooded. Anyway, it is not St. Patrick's day.

Mr. EULER: The Irish stick together.

Mr. POWER: If we do not stick together, no one will help us.

In referring to international trade and unemployment, my hon. friend was good enough to say that all countries—I assume this includes Canada—failed in the solution of these problems. I take that to be an admission on the part of the government that they who were to settle these two most important questions which confronted the people in 1930 have failed. How are they going to remedy a situation which they have not been able to improve? According to the Minister of railways, they are going to remedy it by setting up an economic council.

Mr. MANION: No, I said they were going to study it.

Mr. POWER: The economic council is going to study these matters. Surely when hon. gentlemen opposite came into office in 1930 and stated that they had a cure for these things, they must have studied these questions. Is this studying to take place only after decisions have been arrived at, only after legislation has been introduced and passed and only after the country has been committed to a definite course of action?

Mr. LAPOINTE: There is the general elections.

Mr. POWER: The government may have some use for it between now and the general elections. For instance, it may be necessary to summon Sir Herbert Holt to tell them about the Bank Act and the Bank of Canada.

An hon. MEMBER: Or Beauharnois.

Mr. POWER: It may be necessary to summon Mr. Beatty to tell the Minister of Railways what to do in connection with the railway amalgamation. The Minister of

Agriculture (Mr. Weir) is not present, but I suggest that in connection with bacon and hogs there is a gentleman named Sir Joseph Flavelle who might be of great use to him. He could pump salt water into things and then say, "To hell with profits." He would be a mighty good man. There are a great number of experienced men in Canada upon whom the government could call for assistance.

The hon. gentleman referred to the civil service but I do not think he needs an economic council to make the civil service work. We all know that we have very good deputy ministers. By the way, in passing may I say that the government might name a couple of deputy ministers. This would help to raise the efficiency of the service. These jobs have been kept open for three or four years in order that at some time or other the hopes of certain hon. gentlemen sitting behind the government may be fulfilled. And, incidentally, perhaps the civil service may be improved. During the course of his remarks last night, the hon. gentleman who was leading the house stated that the civil service must be put to some use. I do not know what there is to prevent the ministers from making their people work. If they cannot do that, perhaps we can find some on this side who could make the civil servants work.

Mr. DURANLEAU: No good.

Mr. POWER: I do not know whether the Minister of Marine (Mr. Duranleau) means that it would be no good to try to make the civil servants work or that we are no good, but I think we can leave that to the judgment of the people in his province. We will not enter into any controversy on a question of fact which cannot be definitely settled in this house.

We were told that other countries of the world have economic councils. We find that this council was first invented in Germany and it then spread to Italy. They now have one in Russia and from there it is coming to Canada. We have nazi-ism, fascism, Soviet-ism and—what is the word?

Mr. LAPOINTE: Toryism.

Mr. POWER: The former Minister of Justice (Mr. Lapointe) once had a name for it but I shall not repeat it. It is very easy to fool the people some of the time. Barnum did this when he ran his side show. His fat woman was never quite as fat as the people believed she was. He had a six-legged calf but most of the time it was supported by a stick of wood and a piece of superfluous cartilage. He had a two-headed pig which was nothing but a hog with a wart on the side of its head. But people did not mind this, in fact they liked to be fooled. I think this is the attitude they are taking with respect to this government. There should not be any great objection to their being allowed to run their time but the fact remains that they have introduced an inadequate unemployment insurance bill, to which we have not objected seriously. They have introduced a piece of economic inanity, a sort of Lord's Day of rest bill, and some useless minimum wage and pension legislation. We now have this one.

I am sorry a man of the ability of the Minister of Railways says that this is the most important legislation. I do not think he really meant to say that it was the most important; I shall not ascribe that language to him because I do not think it would be fair to do so. But if it is considered by this government to be in any way important that they are going to take from this house power which they already have to call into consultation with the Prime Minister ten or fifteen or twenty or thirty men in order that they may confer with and advise him as to the economic questions of the day; if that is to be considered one of the important reform measures, I really feel sorry that good friends of mine sitting opposite, hon. gentlemen for whose ability, knowledge and common sense I have a very high respect, are forced through the exigencies of politics and the circumstance that they are on the eve of an election, to support such legislation as this and to endeavour to cram it down the throats of the people of Canada in the manner of a Barnum sideshow.

Mr. HACKETT: I am always delighted to hear the hon. member for Quebec South (Mr. Power) especially when he talks in the lighter vein; he has that capacity for saying things in a way which rather tickles the imagination if it does not thoroughly convince the judgment of those who listen to him. His remarks this afternoon are in his best form; I think we can all admit that they were amusing. He has omitted however to tell us whether or not he intends to support this legislation.

Mr. POWER: It does not matter.

Mr. HACKETT: He has omitted to tell us whether he considers that study, investigation and report upon questions relating to social and economic conditions in this country are matters of importance and whether these questions should be investigated seriously and continuously by the best brains at the command of the country. If he is against this

legislation, of course he is entitled to his opinion, but if he favours it, he has failed to communicate his intention to the committee. I fear that a wave of levity has overtaken his friends either as the aftermath of the celebration of a great festival or in anticipation of another one which I am told is in the immediate offing. I would ask my hon. friend seriously, because he is capable of being serious, whether he does not consider that these questions are worthy of study, and if they are, can he suggest a body more capable of giving them serious consideration and of giving the country the benefit of this study than that which is indicated in the bill? It is all very well to be amusing, to be entertaining, but at times the people who have their eyes upon us expect that we should be serious and devote our attention to serious matters.

My hon. friend suggests that because all ills have not been cured, no effort should be made to cure them. I may remind him that it was that policy and its practice which sounded the knell of the administration which he followed for some years. I feel the people of this country are interested in governments and in men who will strive, and in measures which will give an outlet to the energies and ingenuity of the Canadian people in the solution of the great problems which confront us. I would not do my hon. friend the injustice of suggesting that he was serious when he attempted to brush aside these tremendous problems with a reference to Barnum and his circus and by comparing Barnum to those who are now seeking and seeking seriously a remedy for the ills which are upon us.

We are confronted with an election. I do not know that that need be an opportunity to indulge ceaselessly in levity. The people will determine as they have done in the past, and the party and the men who are entrusted with the confidence of the people will constitute a government to carry out as best they may the difficult task which falls upon governments. Should my hon. friend be called to office, I am confident that he would then welcome the assistance, guidance and inspiration of a body of men such as that which is indicated in the bill now before the committee. Unless my hon. friend and those who surround him are willing to say that there is nothing in the principle which underlies this bill; unless they are willing to say that the bill is entirely frivolous and worthy of contempt, then I ask them to support it or vote against it, but not treat parliament as one eternal joke.

[Mr. Hackett.]

Mr. GARLAND (Bow River): It gives me great pleasure to continue the St. Patrick's day celebration started by the Minister of Railways. I am sorry that he was a day late. I thank him for the faint praise with which he has damned me; I thank him most sincerely for the gifts that he bore me on fluent tongue. May I assure him that I appreciate the compliments coming from him, and envy him his rhetoric and invective. I envy the spirit and passion with which he can join in a partisan debate when it suits his purpose so to do. I have enjoyed the heights to which the Minister of Railways has risen at times. It ill becomes him to point a finger at myself or at others for having been guilty of denunciation of any measure, for there is no other hon. member in this chamber who has ever equalled him in bitterness of invective.

Mr. MANION: I did not use the word "bitter" at any time.

Mr. GARLAND (Bow River): I do not oppose this bill and have not done so; what I have pointed out is that it was a pallid ghost of what we in this corner had sought, and no possible mistake can be made in the statement that the government in bringing in this legislation did not introduce it in accordance with the recommendations that had come from this corner of the house. When the stream of irrepressible and ebullient verbosity of the Minister of Railways flows on, one is swept away by the torrent of words in which he engulfs his opponents, and while fluency is one of the qualities that I admire most in him, I have a sensation of drowning as I listen to him. But may I suggest that his illustrations were not well chosen. This bill is not patterned after the German method. It would not be so bad a bill if it were. Nor is it patterned after the Russian method, in spite of what the hon. member for Quebec South (Mr. Power) said. It is not patterned on any European model at all; it is patterned definitely after the Japanese model. May I give to hon. members of the committee the set-up in Japan for precisely such an economic council:

> Symptoms of a state of crisis became noticeable in Japan soon after the end of the war; the increasing population, which made an extension of production and social welfare work necessary, brought economic problems into the foreground and made it appear desirable that persons of experience in these matters should participate in the life of the state.

This government is just becoming aware now of the fact that someone else beyond the government should participate in the life of the state.

An economic council was consequently appointed for the empire in 1924—

We are now in 1935.

—by imperial decree No. 70 of April 1st. Unlike the German Reich economic council, which, as a then unique attempt to establish an organic economic organization, aroused much interest and indeed gave rise to imitation in other countries, the Japanese imperial economic council was dependent, as one of the first economic institutions, on the prime minister. At the request and on the instructions of the ministers for agriculture and for trade and for finance—

It is even broader than this measure.

—and not therefore on its own initiative, it was to give opinions with regard to questions affecting the furtherance of national economy. It is, indeed, empowered itself to put forward proposals—

Which this proposed council is not empowered to do.

—with regard to matters within this sphere. This provision might, in practice, be interpreted in such a manner as to extend its rights further than the law suggests; it would be of interest to examine its activities in this direction.

I suggest that the government would be well advised to reconsider its position in this matter. A Review of the Economic Councils in the Different Countries of the World, by Doctor Elli Lindner, published by the League of Nations, points out that the economic councils in existence fall into two groups, the first group comprising those of France, Germany and Italy, which, being formed on the basis of a wide representation of economic circles, have an effective influence on national economic policy. They possess the right of initiative, and cooperate in preparing bills of an economic character before they are submitted to parliament for approval. Now that is quite a different sort of thing from this proposal. This is an emaciated, stupid, silly modification; it is a fleshless skeleton, nothing but a skeleton. When the hon. member for Wetaskiwin and others try to put a little flesh and muscle on it and develop a mind in it their suggestions are received only with lectures from the treasury benches and a torrent of words that bear no relation whatever to the facts or show evidence of study of the problem. The report continues:

There is, however, a fundamental difference between the French and German economic councils and the council of corporations. Whereas the two former bodies confine themselves to strictly advisory functions, the Italian council of corporations can in certain circumstances take decisions, though its powers are, generally speaking, limited by the right of veto held by the prime minister.

The second group, which is much the larger, includes a number of various bodies consisting of economic experts or representatives of various professions invited by the government—

As in this case.

—or by a member of the government to give their opinions on questions affecting the national economy generally or on special questions a study of which is of particular interest to the economic life of the country.

This bill belongs to the latter group. Now, while there have been economic councils of these two types in operation for many years, none of them has succeeded in solving the problem—not one of them. And they will not do so, because the directional policy in every single case has not been of a kind calculated to lead to a solution of a problem that cannot be solved under the present capitalist system. I am quite willing that the government should seek advice. I am glad it is providing itself with a crab apple since it does not want a Delicious or a McIntosh. But let it not delude either itself or the country; this economic council will not solve the problem, because the direction of it inevitably will be of the character of the government itself, and it will direct its efforts towards the stabilizing of conditions as they are in so far as they can be stabilized. That is, they will keep everything of the present system that they possibly can keep and make it operate. But it is a futile and vain attempt to make the unworkable work and is bound to fail, just as every economic council although long established has failed. But I welcome it because, if it is properly constituted, if it is composed of men of the type of mind I hope it will be, it may in time result in directing the attention of the government to the blind alley in which it finds itself.

Mr. CHURCH: Clause 6 is the most important clause of this bill, as it relates to the duties of the council. The people of this country are paying to-day for thirty years' neglect of this problem. The government has brought down a most important bill for social and economic reform. The proposal for this legislation came from the Conservative opposition away back in 1923 in connection with the question of a national coal supply. To-day I have a return showing that 2,800,000 tons of coal were moved last year from the maritime provinces to central Canada as a result of that proposal. Then this policy came up again some years afterwards, in 1928 and again in 1930, and what did the government of that

time do? I shall read their reply to a question which I asked the government on March 13, 1930, with reference to an advisory economic committee along the lines of this bill. I asked:

> Will the government consider the appointment of an advisory economic committee for Canada to deal with economic questions?

And the reply of the Prime Minister of the day was:

> This and kindred subjects are receiving the attention of the government.

But they received no attention whatever, with the result that hundreds of millions of dollars were voted to the Canadian National Railways. Had that policy been adopted back in 1928 millions and millions of dollars would have been saved to the taxpayers of the country in over-capitalization and over-government. Looking over those years we see that no study was made of the question of unemployment, seasonal, technological or cyclical; no study was made by any federal, provincial or municipal body of the inroads being made by science and the machine on the employment of labour. The same thing is true of the housing question. Public works were constructed that had no economic value; some of them will never pay the fixed charges or the debt charges on them. Our natural resources have been given away; during the past thirty years our natural resources of the sea, the soil, the forest and the mine were given away in a haphazard manner and the people are suffering for it to-day. Then look at the power situation—a country so rich in power as Canada, with forty-two million potential horsepower and only seven million developed, and no effort looking to a national hydro power policy. No study at all was made of these questions, nor of the inroads into the earnings of our steam railways made by motor buses and truck freight traffic.

When we look over these problems we see the necessity of a body such as this, Mr. Chairman, and I appeal to the opposition to help the government pull the country out of the mire. I do not think we should depend on the federal government to do everything. Canada's national economic problems are not going to be solved by majorities in parliament; they call for wide national sacrifices and the support not only of the government of the day and the opposition but also of churches, boards of trade and all public bodies. While this body is advisory, if its services are properly utilized it may result in untold good to the people of this country, who have become aware as never before of the economic abuses that are carried on here. It has been argued that

parliamentary control has been so successful in education and finance, so why not extend it to banking and commerce, unemployment, housing, agriculture, imports and exports, radio and everything else from Dan to Beersheba? In the past we have had government commissions and departments multiplied to an unparalleled extent, not only in federal but also in provincial and municipal affairs, and I believe one of the principal problems that should be taken up by this council is the coordination of the problems of our various federal, provincial and municipal governments. If they only accomplish that task, so that we need not rely on some body away over in Geneva to solve our problems, they will do a great work. Some of these difficulties have been met by the municipalities themselves by way of contract; I refer to the problems in connection with fair wages, minimum wages, eight hour day, the elimination of sweat shops and child labour.

It seems to me that the principal fault of our parliamentary system under the British North America Act is that so far as our parliamentary institutions are concerned Canada is well on the way to being upside down. I think this council should consider parliamentary and constitutional reform such as will enable this country to solve its own problems. The question of the constitution of Canada is a matter to which I think the government should give very careful consideration. In the past we have derived very little benefit from some of our commissions because they have been top heavy with university professors and economists. If we want to do something practical we will have to rely on others than economists. Political economy is all right in its way, but it is not an exact science like medicine, chemistry or biology. These scientists argue from facts; the economist does not do so. He gives his opinion, and the opinions of economists are as far apart as the poles. So I hope this council will include some practical men; I think in reality it should be a brain trust to help solve some of the problems of the sea, the soil, the forest and the mine. Professors are all very well in universities so long as they stick to their last, but many of them give advice on matters with which they are not familiar, and we have had a great deal of advice of that type. I think it would be better to get some practical business men together with the permanent officials, because when all is said and done the backbone of any government is the permanent staff, who carry on work that cannot be carried on by anyone else.

This council might well take up the question of what is to be done in regard to suitable employment for boys and girls of high school age, say up to eighteen. No study of that question has been made by any body so far as I can find out. I think they might study, investigate and report as to what should be done, in conjunction with the provinces and the municipalities, to solve that problem. To-day the youth of our country are suffering as never before. The commission might also make a study of industry. Low wages in Canada have been proved to be the cause of much crime in this country. Many children who are working in factories should be in schools, and the records show that most of our young offenders are underprivileged children, many of them from poverty stricken homes, who have been undernourished and handicapped and who have never had a chance or a steady job. So I think this body might make a report on what might be done along that line.

I believe another matter which might be taken up by this council, together with departmental officials, is the question of the evasion of our income tax by big business supermen, and trusts and high finance, in relation to unemployment. A commission in the United States studied this problem on Wall street and found that such evasion was retarding industry and trade in that country. The commission found that this led to starving industry and to very serious unemployment and was the cause of many of the evils from which that country was suffering. In my opinion income tax returns should be made public and I hope that when this council is set up it will go into that question. The brain trust in the United States, in attacking that problem, did more to help unemployment by exposing big business than was done by any other agency. In my opinion this council could do no better service than to recommend the publication of all income tax returns. We publish the facts and they are an open book in connection with sales of real estate and chattel mortgages and bills of sale, so why should we not publish the facts in connection with some in this country who are hoarding wealth and evading the payment of income tax with their financial manipulations. I believe that is one of the most important things that might be dealt with by this advisory body. There has been some talk of a union government in this country. In my humble opinion we had enough of that kind of government. Further, I believe the coordination of our two railways is impossible; I think with expanding trade and the end of the depression the national railways will become a great asset to Canada.

In conclusion, Mr. Chairman, may I say that I believe this to be the most important matter to come before parliament this session. There are those in this country who, having seen the economic waste that has gone on in connection with our resources, have laid the blame on our parliamentary and constitutional system. I think one of the most important matters that might be taken up by this advisory body would be some recommendation as to the reorganization of our parliamentary and constitutional system so as to bring it more up to date, in order that we may deal with some of these economic problems quickly in a practical and modern way. At the present time the British North America Act, as we have it, is a danger to the well being of the country. I do not think we should pass on problem after problem to different public bodies, which piles up delay after delay; we should have a quick, modern way of solving our difficulties. It is this situation that prompts some Canadians to long for a dictator in this country; they see the evils which have been apparent to parliament for many years, with parliament doing nothing to check them. I might refer to the terrible condition of agricultural and railway workers and those in the mines, as well as those in industry. We as a parliament must not forget that these citizens have invested their lives in these industries, but to-day they are suffering because of the selfishness of some of those who are styled big business. If we are to have a brain trust now let us have some proper investigation, something like the investigation of Wall Street by the United States senate. Let us have an investigation in the same way of St. James Street, and the way big business has been responsible for some of the very evils that we hope to cure through legislation of this kind. Let us have a real inquiry. If the investigation I proposed in 1923, 1928 and 1930 for an economic council for Canada had been made there would have been no Beauharnois deal. The natural resources the Lord gave us in the St. Lawrence river and in the Ottawa river were intended not for the barons of St. James Street, but for all His creatures in the country. When I proposed that we should have an inquiry in connection with the national coal supply I was told by the head of the National railways, right in the committee which had been appointed, that I was proposing a bargain lunch counter system of freight rates to carry the coal from the maritimes and Alberta to central Canada.

In 1923, 1928 and 1930 I asked the government of the day to appoint a body such as is now suggested, and we know what the reply was at that time. They did nothing, despite the fact that such a council had been appointed in England in the fall of 1928, and the present measure is patterned after their act. Clause 6 of this bill is almost the same as one of the clauses in the British act. The fact that they did do this is one of the chief reasons why the mother country has recovered faster than any other country. Look at what they are doing by way of supplying themselves with food. Some time ago they could not in a year produce more than a month's supply at one time, but to-day they are going over every lot and every farm in England and are making a great effort to increase their food supply to the point where they will not be dependent upon outside countries as much as they were. The farmers of Canada will not enjoy the market they used to have in the old country. They investigated the coal and steel industries, and as a result a report was made to the British parliament in 1928. Effect was given to the report; they did not do as we do in Canada. When our officials make a report it is pigeonholed. Their report was adopted, and all sections of the country, including the church, boards of trade and labour organizations have got together to pull the country out of the mire. That is what we need in Canada, and what we would have had if the suggestion made in 1928 had been adopted by the government of that day.

Mr. MacINNIS: I believe the house should thank the hon. member for Wetaskiwin (Mr. Irvine) and also the hon. member for Bow River (Mr. Garland) for changing the proceedings from a farce to a serious consideration of an important problem. This measure should receive serious consideration. If any person does not believe it should be given serious thought then I suggest that person should oppose it and should not attempt to ridicule it.

Why is there a necessity for an economic council? Why do we find governments in many countries appointing councils of this kind? That is one of the first questions we should ask ourselves. To my mind the answer is this: In the past, because of certain conditions, private interests were able to take care of the economic and social conditions within a country. During the last few years, however, and particularly since the beginning of the depression, private enterprise has fallen down and is no longer able to take care of the economic matters which at one time it attended to. Private enterprise always had at its command technical advisers, economic advisers, financial advisers and men qualified to give other kinds of advice. If governments are to be called upon to do the work which at one time was done by private enterprise, then governments will have to have officials at their command. Because the government of Canada, like the governments of other countries, have so many problems to consider, I believe they should have experts at their command who would be able to give sound advice. Some hon. members, and particularly the Minister of Railways and Canals (Mr. Manion), referred to the many problems confronting Canada—unemployment, railways, transportation, trade, and finance. The suggestion was made that we should try to find a solution for these problems. In my opinion the mistake made by the Minister of Railways and Canals and by other hon. members is that of believing that these difficulties can be solved one by one. As a matter of fact these different problems are not causes; they are effects. They are conditions which have arisen out of the fundamental basis of our whole economic and social life. When you have solved unemployment you have solved at the same time the problems of trade, transportation and finance. They are linked together and one cannot be solved without solving the others.

There is only one problem which has always confronted the people of the world, and it is that of deciding how best to provide themselves with food, clothing and shelter; that problem settled we find that others fall into line and are merely detail. The problem of providing food, clothing and shelter has confronted the human race from the time of its first appearance on earth up to the present day, the only difference being that to-day we have within our grasp or at our command the means to solve the problem once and for all. I believe it was the Prime Minister who said some few years ago in this chamber that at that time—and of course the same condition obtains to-day—there was in Canada industrial equipment sufficient to meet the needs of 25,000,000 people. To-day our population is only a little more than 10,000,000 people, and I submit that if we have the equipment to supply the needs of 25,000,000 people it should be somebody's business to find why we cannot use our wealth to meet the needs of our citizens. If the economic council will do that, then surely it is worth while. I must say however that I would be opposed to an economic council of which the present Prime

Minister would be the chairman, not because I have not a high regard for his ability, integrity and honesty, but because I feel that during the last five years he has dominated his cabinet, possibly to the detriment of legislation which has come before us. I am sure that in the same way he would dominate a council, particularly one made up in greater part of civil servants.

The point was made that we had never made use of our civil service. As a matter of fact we have never made full use of any of our resources, and if this economic council could show us how to make use not only of our civil servants but of our natural resources, our industrial equipment and our man power, both mentally and physically, then the legislation would be worth while. I would suggest again that the government consider seriously the amendment proposed by the hon. member for Wetaskiwin. Although as drafted it may not meet with their approval I believe they should hold it over and ascertain whether or not they could bring down an amendment which would be more to their liking and would also meet the purposes for which the amendment was intended.

Mr. COOTE: To-day it is common to hear the statement that the problem of production has been solved. That of course is only a comparative statement, but the efficiency of the productive system is so far ahead of our methods of distribution that it seems to me there is every reason for saying that the problem of distribution is the greatest one facing us to-day. In my humble opinion there is no reason why the government should not accept the amendment offered by the hon. member for Wetaskiwin (Mr. Irvine). Our scientists and engineers have gone a long way in solving the problem of production. In Canada we have over eight million horsepower of mechanical energy installed in factories and power houses. Coupled with splendid labour saving machinery we have now a production system with power behind it which is equal to the power of eighty million slaves, to work for this nation of ten million people. We can produce goods in abundance, food, clothing, and shelter for more people than we have here, and yet we continue to endure this condition of poverty in the midst of plenty.

In 1929, so we have been told, we entered upon a period of depression due to the fact that we had produced too much. Surely it should not be necessary to say anything more than that to convince the government and members of this committee that this problem of distribution is the great one facing us. I remember four years ago the president of one of our banks said that the depression was caused by overproduction, and he was followed a few minutes later by the general manager who said in his speech that the way out was to work harder. Now if this depression was caused by overproduction, we all know surely that we cannot get out of it by working harder and producing more. Surely the only solution is greater consumption. There is the important problem facing us. How can we get that system which will enable us as a people to consume what we now produce? I say again that is the greatest problem facing us, that of finding a better system of distribution, and I do not see why we should not state in this act that one of the duties to be undertaken by this board, which is to be called an economic council and is to advise the government, shall be to consider this problem of distribution. I certainly hope that the government will change their attitude and accept the amendment that has been offered by the hon. member for Wetaskiwin.

Mr. SPENCER: Mr. Chairman, I cannot let the vote take place without saying a word in support of the amendment which has been brought forward by the hon. member for Wetaskiwin (Mr. Irvine). The bill as it stands is distinctly a step in the right direction, and I shall take pleasure in supporting it, but I do not think it goes far enough. It does not really meet what is probably the most important situation facing us, and that is the problem of purchasing power, and that I believe was the idea of the hon. member for Wetaskiwin in putting forward his amendment. No doubt the bill is being introduced to-day for no other reason than that of the extraordinary situation in which this country now finds itself. We are wealthy in the matter of goods and services, but financially we are poor. There is certainly a contradiction. It seems to me that we have been thinking too much both in the past and in the present in terms of money. We do not think sufficiently in terms of goods and services. The very fact that to-day we have on the one hand such vast quantities of goods everywhere, and the possibility of producing so much more, while at the same time we have more poverty throughout this country than we have had for many years, should be a challenge to every thinking member of this house. We have an army of somewhere around five hundred thousand people unemployed, and we are keeping to-day at the expense of the federal government no less than one million people on relief. These are some of the reasons no doubt why the government

has introduced this legislation and I congratulate them upon doing so. I do feel, however, that if they refuse to accept the amendment now before us simply because it has been proposed by a private member of this house, they are making a great mistake.

May I remind this house that whatever is physically possible is or should be financially possible, and that is one of the problems that the amendment suggests should be considered. The condition in which we find ourselves to-day, with this vast amount of poverty, is largely the secret of many of our other problems. The railway problem, for instance, is largely brought about because of a lack of purchasing power on the part of the people. If people had purchasing power they would travel a great deal more than they do to-day, and would provide freight and express business for our railways, and we would not have the railway deficits that face us every year. Just about twelve months ago the railways of Canada put on reasonable rates from western Canada to the east, and they had to put on several extra trains to accommodate the people who wanted to come east. The people wanted to travel in any case, and they did travel then because they could travel at much lower rates.

The health problem again can be laid largely at the door of poverty. When people are in poverty they cannot get the necessaries of life, with the result that they are forced to adopt a lower standard of living, and ill health often develops. Crime also can largely be laid at the door of poverty because everybody recognizes that poverty is the mother of crime.

Mr. IRVINE: Poverty is the greatest crime of all.

Mr. SPENCER: As my hon. friend from Wetaskiwin says, poverty is the greatest crime of all. Again, the lack of trade to-day is not because we cannot produce or consume or because we do not want to consume; it is simply because we have failed to bridge the gap between production and consumption. As the Minister of Railways (Mr. Manion) so well said, it is a problem of distribution to-day, not a problem of production, and it is because too much of our legislation has been directed towards ways and means of producing more, and not of distributing more, that we have failed up to the present time. If we would look after the consumers, instead of taking so much pains with regard to the producers, the producers would certainly be able to look after themselves.

I hope the government will change their mind with regard to this amendment. If it is not worded just as they would like, I trust they will propose an amended wording so that the amendment of my hon. friend from Wetaskiwin can be accepted. It would be a great mistake indeed for the government to turn it down.

Sir GEORGE PERLEY: Mr. Chairman, we certainly have no objection to considering suggestions coming from any part of the house, and my hon. friend from Wetaskiwin (Mr. Irvine) is not giving us sufficient credit when he suggests that we do not pay enough attention to things proposed by a private member. As a matter of fact I consider that the purpose that is sought to be achieved by this amendment is covered by paragraph (a) of clause 6, which is very broad indeed. I have read it over very carefully again, and I think my hon. friend will agree with me that this clause and the others in the bill give ample authority for investigation and report upon any question which the Prime Minister may request the council to look into. In other words, paragraph (a) of clause 6 is quite broad enough to enable the Prime Minister to have an investigation and report upon the particular subject to which my hon. friend refers in his amendment. We prefer not to specify any particular questions which we think ought to be examined into by this council. I say to the hon. member for Wetaskiwin that as far as I am concerned I do not think there will be any doubt that the question referred to in his amendment will be one of the matters in connection with which this council may well be given authority to inquire.

Amendment negatived: yeas, 13; nays, 31.

Section agreed to.

On section 7—Meetings of council.

Mr. COOTE: If this council is to be of any use to the government this section should be changed. Surely the council should meet more often than twice a year; I think it should meet at least twice a month. In such case the Prime Minister would be aware that he had such a council and would give it certain matters to investigate. If it is to meet only twice a year he might forget that he has a responsibility to charge them to investigate certain matters.

Sir GEORGE PERLEY: I do not think my hon. friend need worry, as this council will meet as often as is desirable or necessary to enable it to carry out its work. Special committees and ad hoc members will

be appointed from time to time for different purposes. The council is to consist of seven civil servants and eight persons from outside and it was thought desirable that it should be stated that they must meet at least twice a year. This section is not for the purpose of limiting the number of meetings.

Section agreed to on division.

On section 8—Special statistical investigations.

Mr. COOTE: Could the minister explain what is meant by "investigations under the Statistics Act"?

Sir GEORGE PERLEY: The intention is that this council shall have the benefit of the work of the dominion statistician. These words may be superflous and if the hon. gentleman thinks they should be left out I shall consider the matter.

Mr. GARLAND (Bow River): I think they had better stay in because the Statistics Act gives the power to direct an investigation and to undertake the necessary examination.

Sir GEORGE PERLEY: The council will have the benefit of the assistance of the dominion statistician in accordance with the act under which he works.

Section agreed to.

Sections 9 and 10 agreed to.

On section 11—Annual report.

Sir GEORGE PERLEY: A suggestion has been made by the hon. member for Bow River (Mr. Garland) that certain words be added after the word "work". I have no objection although I think the point he has in mind is covered by subsection (e) of section 6.

Mr. GARLAND (Bow River): Perhaps the acting Prime Minister is right, but I think it would be advisable to add the words "and findings" after the word "work".

Sir GEORGE PERLEY: I have no objection.

Mr. GARLAND (Bow River): I move that section 11 be amended by inserting the words "and findings" after the word "work" in the second line of the section.

Amendment agreed to.

Section as amended agreed to.

On section 12—Expenditures.

Mr. McINTOSH: When this matter was being considered last evening I inquired as to the cost of this council. Has the minister this information which he promised to furnish when the whole house was in committee of the whole?

Sir GEORGE PERLEY: I am informed that the annual cost will be $25,000 or $30,000.

Section agreed to.

Bill reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 38, to amend the Railway Act (rates on grain).

He said: This is now the fourth time I have introduced this matter into the house by way of a bill. The first year I came here I introduced it by way of a resolution. I have no apologies to offer to the house and to the country for keeping at this matter for four years; indeed, I intend to carry on with the fight as long as I am a member.

Long ago I came to the conclusion that it is within the House of Commons that this matter, the fight that British Columbia has in connection with the equalization of freight rates, should be fought out.

It is not my intention again to go into every phase of the question, because I am of opinion that after some four years perhaps enough has been said regarding the various rates and the rate structure without again taking up the time of the house in connection with them. However I would like to take a few moments to touch briefly on the history of the case as it affects the province of British Columbia.

Shortly, the situation is this: British Columbia at the time of confederation was a crown colony. Portions of railway systems had been constructed in Eastern Canada, but no outlet or access to the Pacific coast by railroad was then in existence. British Columbia at that time had her own customs and excise and was under the British crown a self-governing colony. As an inducement for her to give up those privileges and to join with the other provinces in order to complete this country as a dominion, she consented to do so on the understanding that railway connection would be given her and also that she would be placed on an equality with the other provinces so far as transportation was concerned.

The dominion government then had surveyors map out a route into British Columbia

and they selected what is known as the Yellowhead pass route. The Canadian Pacific Railway were induced—and I am just stating the facts briefly—to undertake to build that railway into British Columbia. They however put their own surveyors on the work and decided that they would take another route which they declared was some one hundred and forty-two miles shorter, and known as the Kicking Horse pass route. After the railway was constructed, the rates into that province were set and the Canadian Pacific Railway at that time took the stand that as some difficulties had been encountered in regard to the construction of that road, necessitating heavy blasting of rock and so forth, they were entitled to charge higher rates than were being charged in other parts of the dominion. It must be remembered that at that time the Crowsnest pass rates were in existence. The people of British Columbia felt greatly incensed at the attitude of the Canadian Pacific, because they had been given to understand that they would be placed on an equal basis as to rates with the people of the other provinces. It is without prejudice that I say this: The attitude of the Canadian Pacific themselves in those early days largely brought about the construction of a second road into that province. British Columbia in 1909 or 1910 decided that something had to be done to counteract the power of the Canadian Pacific Railway and to give that corporation some competition by way of another railway in an endeavour to bring the rates down. So we had constructed from Edmonton to Vancouver another line which now is comprised within the Canadian National railway system. When the railway was being built, the people of British Columbia were taking care that they would have control of the rates and as matter of fact were considering inserting the rates in the act, but they did not go so far as that. However they saw to it that in the Railway Act passed in the session of 1909-10, the government of British Columbia would control completely the rates of that railway. But what happened? Just after the line was completed, the dominion parliament passed an act to the effect that that railway was for the general good of Canada, and at one fell swoop, shall I say, took away the railroads laid down by British Columbia and placed them under the board of railway commissioners. That very briefly is an outline of the history of the matter. I am not going to take up the time of the house with every little detail because I have many other matters to speak of, and as I said before, many of these facts have been placed on the records of previous years. The board of railway commissioners, might I point out, was presumably set up as a safeguard for the people; that is fairly evident I believe, because the railroads themselves required no safeguards as to rates. The railroads could set the rates, but as a safeguard so that the railroads would confine themselves to reasonable rates, a board known as the board of railway commissioners was set up, and I think I am correct when I state that that board was set up with the view principally of protecting the people from both railroads and not the railways from the people.

I am of opinion that the time has now come to review the board of railway commissioners. We have had put through this house an act to bring about compulsory co-operation in both railways. If I may use that term, and there is no doubt that competition in rates to capture traffic has been to a certain extent, if not entirely, eliminated. When one considers that in the neighbourhood of $330,000 annually is paid out to that board, that competition has largely been eliminated, and we are living in the year of our Lord 1935, under changed conditions, I think it would be well for this parliament to consider whether the board of railway commissioners is fulfilling as useful a function as it did when it was first set up.

The three most important factors in connection with the cost of railway service are construction, operation and maintenance. I am not going into the question of finance and all the intricacies of railroad management; I speak simply of the three principal items determining the cost of railway service. I have stated many times, and repeat briefly without going into minute detail, that in British Columbia construction costs were lower than they were in many other parts of eastern and central Canada; and also in that province they have lower operation costs and lower costs of maintenance. I repeat that, because it does annoy one to be told by some people that the railroads there have the mountain grades to overcome. We have, as is well known in British Columbia, the lowest grades in the whole dominion, especially through the Yellowhead pass from Edmonton, over the Canadian National, the maximum grade being seven-tenths of one per cent. I say again that the construction costs, the operation costs, and the maintenance costs of both the Canadian Pacific and the Canadian National in the province of British Columbia are comparable with the low costs

on the prairie and much lower than in parts of eastern Canada, especially over the Laurentian range.

British Columbia has paid very dearly for the mistake made by the Canadian Pacific in taking the Kicking Horse pass route. Although the Canadian Pacific received large grants of land and large subsidies as well to meet their contention that they had these difficulties to overcome, rates were set having in view the grades on that line at that time, and those rates have been maintained right up to the present day and have cost the people of British Columbia many millions of dollars more than they ought to have paid. I stated last session and I repeat that British Columbia can never look for any redress from the board of railway commissioners unless greater powers are given that board and drastic changes made as well. I pointed out last year that it was useless to go before that board. In spite of that, however, I was willing to try out the board, and so made an appeal to them asking that feed grains and mill feeds be carried to British Columbia at the same rate for domestic use as for export. Without going too deeply into the matter I may say briefly that the board relied in its judgment almost entirely on past judgments, at least the majority judgment did. The question was raised at the outset of the appeal whether I had any right to be there, inasmuch as the question had been decided some years ago. Right at the start the railway companies objected, saying this was the same appeal, and they asked the board not to listen to it. They said there would be no end to it if this case were again opened up. But the application I had before the board of railway commissioners was not entirely the same as the former one, because I was asking only that feed grains and mill feeds be carried into that province at the same rate as that charged on the same commodities for export.

To show how difficult it is to interpret a statement of the principles that should guide the board I am going to read the order in council, P.C. 886, passed in 1925, from which I ask hon. members if they would not form the opinion that very wide powers were given to the board to equalize rates. It says:

> The committee are of the opinion that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada and as being the method best calculated to facilitate the interchange of commodities between the various portions of the dominion, as well as the encouragement of industry and agriculture and the development of export trade.
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> The committee are further of the opinion that to give effect to this policy, and considering the submissions made by counsel and important trade organizations representing different provinces and localities in the dominion as to the disadvantages that would be suffered by such provinces or localities by any partial or incomplete consideration of the freight rate structure, a thorough and complete investigation of the whole subject of railway freight rates in the dominion should be carried out by the board of railway commissioners, the body constituted by parliament with full powers under statute to fix and control railway rates.
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> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the dominion, and in order to encourage the further development of the great grain growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of the opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest pass agreement, should not be exceeded.

The ordinary layman reading that would, I think, be inclined to believe that wide instructions were given to the board of railway commissioners to equalize freight rates and for the conduct of that inquiry. That is why I stated at the beginning of my address this evening that if the province of British Columbia is ever to obtain any redress from the board of railway commissioners, drastic changes will have to be made in the Railway Act, and it would have to be stated explicitly. Otherwise, from the experience I have had and the judgments which have been rendered, I am convinced that the board would go through the act with a fine tooth comb to see if they could evade the question so far as the people are concerned. I was told last year, I believe by the Minister of Railways (Mr. Manion), that the House of Commons is not the place to fix railway rates. I quite agree that if one brought into the House of Commons the whole railway rate structure of this dominion there might be some kind of a mix-up. But I say this, and I say it from experience, that parliament could not do worse than what is in existence at the present time. I ask any hon. member to look at the various rates in existence from one end of this country to the other and then consider whether parliament could have done any worse than the railways and the board of railway commissioners have done. But, Mr. Speaker, we are not asking parliament to fix all freight rates; we are asking parliament to give British Columbia what has been denied

that province since 1886, and what was given the other portions of this dominion. We are not asking for anything unfair; we are not asking for lower rates than are given other provinces. We are asking for the same equal treatment that has been accorded the other provinces and surely that is within our rights; surely that is not unfair. We are asking this from the court of last resort, the highest court in the land, which is the parliament of Canada.

I am going to quote just one or two rates to show what I call the hodge-podge of railway rates in this country. One could devote a whole evening to these rates, but I am going to quote only a few. I want first to show the house the penalty British Columbia has to pay when it ships produce east as compared with other provinces when they ship the same produce west. If British Columbia wants to ship butter to Calgary or Edmonton the rate is $1.49 per hundred pounds, while if Calgary or Edmonton want to ship butter to Vancouver they pay only $1.37 per hundred pounds. What is the reason for the difference? Then take eggs: British Columbia produces great quantities of eggs; so does Alberta. But when we ship our eggs to Calgary or Edmonton we are charged $1.13 per hundred pounds while if Calgary or Edmonton ship eggs to us they pay only $1.10. The same situation exists in regard to fresh beef; the rate from Vancouver to Calgary or Edmonton is $1.13 per hundred pounds while the rate from Calgary or Edmonton to Vancouver is $1.10. Cattle shipped from Vancouver to Calgary or Edmonton pay 57½ cents per hundred pounds while cattle going from Edmonton or Calgary to Vancouver pay 56 cents per hundred pounds. It would be just as reasonable if the railway companies charged their passengers one rate from Calgary or Edmonton to Vancouver and another rate when returning from Vancouver back to Calgary or Edmonton. No railway company and no government would stand for any such differences in passenger fares, but the different freight rates I have quoted have been in existence for many years.

One might go on and show just how much more British Columbia is paying than is being paid by the other provinces, and I would point out that British Columbia should receive greater consideration from the eastern provinces because, as is well known to every hon. member from British Columbia at least, that province buys most of its manufactured articles in the protected east, but it is compelled to sell all its own commodities on a world market. But no consideration has been given that province in connection with the shipment of such commodities as butter, eggs, fresh beef, cattle and so on. I am not going to raise any question of the east against the west or the west against the east, nor am I criticizing the eastern provinces; but I would point out that all the rates in the eastern provinces are far lower than the rates in the west. I will mention just one or two. The eastern carload rate for a two hundred mile haul is 15 cents per hundred pounds; the less than carload rate is 30½ cents. In the west those rates are 20 cents and 51 cents, while in the Pacific section they are 23 cents and 59 cents. I have a whole list of such comparisons but I am not going to put them on record because it would take too much time. Looking over that list, however, one must come to the conclusion that the eastern provinces and central Canada certainly enjoy far lower rates than those in force in the province of British Columbia. After all, Mr. Speaker, provided that conditions are the same and that maintenance and construction costs are roughly the same, mile for mile should not we in the province of British Columbia have the same rates as apply in other parts of the dominion?

I have heard some criticism in regard to the Crowsnest pass rates, for example. I do not think the government however would assume the responsibility of removing those rates, which were set by statute in 1897 and reaffirmed by parliament in 1925 with some changes. It is unfortunate that in 1925, when the change took place, those rates were not extended to British Columbia, but I do not think this or any other government would care to assume the responsibility of saying the Crowsnest pass rates were too low or unfair. There they are, and I claim that we in British Columbia are just as much entitled to those rates as are the central and eastern provinces. I am of the opinion, Mr. Speaker, that one of the things wrong with our railways is that the passenger system is too costly. I believe a large part of the railway losses in this country occurs in connection with the passenger traffic. The railways were built primarily for freight, but the freight end of the business has not been developed as it should have been. I do not believe any hon. member would suggest that passenger rates should be raised; no, the tendency is to lower them in order to induce people to travel. The same principle should apply in connection with freight. To-day the railways are complaining of competition from other methods of transportation. I think they are going to have even more competition of that kind. They are experiencing it now on the great lakes, and

in various parts of the country they are suffering from the competition of the trucks. I predict that if railway rates to British Columbia are not lowered, once the highway is completed from the prairies to British Columbia we will see long lines of trucks hauling wheat and other produce between these points because they can do it for much less than what is charged by the railways. Two years ago they tried moving apples from the Okanagan valley by trucks; last year many carloads of apples were trucked along the highway from Okanagan valley which in past years had been handled by the railways. Why is that being done? It is because the railways refuse to alter or lower their rates. The consuming public are not interested in the intricacies of freight rates; what they want is cheap service and if the motor trucks can offer them a cheap service that is the kind of transportation they are going to patronize.

Coming to the export rate to British Columbia, which is twenty cents per hundred pounds for export, might I point out that while on the surface it would appear that this is comparable to the rate to Fort William, it is really still much higher than that rate. During the hearing of the matter I challenged the railways to prove to the board of railway commissioners that the export rate on grain was a losing rate. I take the stand that the rate of twenty cents is a paying rate, and if that is so, why should the people of British Columbia who want to use wheat have to pay twice the rate charged on other grain that is hauled in the same trains by the same engines over the same tracks and in charge of the same crews? There is no reason for it at all. The railway companies have always dodged the issue when confronted with the statement that the export rate is a paying rate. The hauling of wheat is one of the major traffic items of the railways, and this might interest some hon. members: During the past few years the great bulk of Canadian wheat has been going out through Pacific coast outlets. In 1933 over 100,000,000 bushels of wheat went through the Pacific coast outlets while a total of only 83,000,000 bushels went out through all the eastern Canadian ports. I received these figures to-day, and to me they were most interesting. Of the 83,000,000 bushels shipped through the eastern ports over 6,000,000 bushels were from the United States. The exact figure for the Pacific coast ports is 100,587,923 bushels and for the combined eastern ports including grain from the United States, 83,675,534 bushels. I believe these figures will indicate the trend of the grain traffic to-day.

May I point out to hon. members that wheat can be shipped cheaper via Panama than through the eastern ports. I believe the railroads would find it to their advantage to give more encouragement to the use of Pacific coast ports. In my view the system of our freight tolls is antiquated; that statement was made many years ago before we had truck and other competition. The whole system should be revamped by a practical commission with a view to encouraging the service and to the selling of more railway service to the community. The commission should have in mind, too, the possibility of offsetting truck competition, because, as I have pointed out, if the railways do not go out to meet truck competition their revenues will become smaller and smaller as the years go by. Will the railways and the government stand by and watch the competition grow, a competition which in the end will leave very little freight traffic for our railways?

Since 1920 four changes have been made in the export rates to British Columbia. No change has been made in the domestic rates.

Mr. MANION: Except in regard to feed grains.

Mr. REID: Yes, except in regard to feed grains, but only temporary. Now that the minister has mentioned feed grains I should like to point out something which happened last year and which I believe will serve to indicate the arbitrary attitude taken by the railway companies. Tariff 145 designated certain grades of wheat which would be carried at a rate of 30½ cents per 100 pounds. Mill feeds were left out, and they should not have been left out. There is in Cloverdale a cooperative association composed of farmers, an association which buys as cheaply as it can and returns profits to its members. That association bought two carloads of burnt wheat unfit for human consumption. When it was brought to Cloverdale it was distributed among the members of the association, and the numbers 5 and 6 feed rates were charged. About a month later the railway company sent in a bill for $112 per carload indicating that burnt wheat was not under the tariff. It is true that burnt wheat might not have been mentioned under the feed grain tariff, but hon. members will realize that it could be used for no purpose other than that of feeding stock. As a matter of fact it is not very palatable even to poultry, but poultrymen will buy it because it is a little cheaper. I have mentioned these facts so that the

minister may know the attitude of the railway companies, may realize how arbitrary—or shall I use the word unreasonable—they can be at times. Surely they must know that burnt wheat is only feed wheat, and could be used for no other purposes. Whether or not they have changed the rate by this time I am not sure.

On the order paper we have legislation to deal with minimum wages. It is all very well to have a minimum wage rate so that the workmen will be operating on a better basis, but so long as the province of British Columbia is subjected to these inequalities, in the matter of freight rates, so long as it is being soaked, shall I say, more than the other provinces, the wage changes will not be of very great benefit to that province. What reason can there be for charging a certain rate on a certain article going in one direction and another rate for the same article going in the opposite direction? I know the railway companies can give excuses; they are very good at that. It is marvellous to behold the manner in which they can quibble, as any of us who have had occasion to combat them could testify.

During the hearing of the appeal—and I ask the minister to take special note of this—the commission were asked why the rate was so low from Fort William to the eastern ports, and the reply was that the rate was low because of water competition. The rates for domestic purposes were kept low so as to endeavour to capture the trade. However when I asked them how it was that they had a rate of 25 cents per 100 pounds for domestic purposes as against an export rate of 34½ cents from Fort William to Montreal, they had no answer to make. They had been arguing that the export rate had to be lower so as to induce traffic, and that the domestic rate was considerably higher. Here was an instance however where they had lowered the domestic rate to 25 cents per 100 pounds while the export rate remained at 34½ cents. As I pointed out, a man could very well buy a carload of feed presumably for domestic purposes at 25 cents per 100 pounds, and ship it at the export rate, but if the reverse had been the order, the export rate at 25 cents and the domestic rate at 34½ cents, he would not have been allowed to buy the car on the export basis, and use it in the province of British Columbia. No answer was forthcoming in that connection. It is also very interesting to note that the rates were lowered to a considerable degree from Fort William to eastern points due to the fact that the milling companies were beginning to use their own boats. These interests, which had been encouraged by the railway companies and were given many concessions, were now stepping out, shall I say, to carry their own products on the great lakes. They were the ones who caused the low freight rates which existed on the great lakes last season.

I shall reserve any further observations until other hon. members have spoken. I should like however to repeat this question: Why should we in British Columbia be called upon to pay for the heavy losses entailed by the railway companies on steamships, hotels and other investments? I declare the export rate of twenty cents pays. If it does not pay I see no reason why the poeple of British Columbia should be asked to carry the loss. The fact that grain is going through the Pacific ports is to the great advantage of the railways despite the fact that the export rate to Vancouver and New Westminster is a little higher than the rate to the east.

This is the fourth time I have introduced this subject. It is not a political matter, but it is one which affects the whole of the province of British Columbia. We are not jealous of the maritime provinces, we wish them the best of luck, but when one notices in the estimates for the present year a vote of almost a million dollars for concessions to the maritime provinces in the matter of freight rates one wonders just how long we in British Columbia will have to cry before we get justice. That is all we are asking. We are not asking for a rate lower than that enjoyed by other provinces; we are not asking for anything unfair; we are asking only for treatment equal to that enjoyed by the eastern and prairie provinces. I would ask the minister, therefore, to take what I have said into serious consideration, and I should be particularly pleased if this year he would allow the second reading to pass and let us go into committee on the bill. I have pointed out repeatedly that it is useless for us in British Columbia to appeal to the board of railway commissioners, and I cannot make that statement too emphatically. That is the actual record. They themselves have quoted case after case, dating from 1917, and they have taken an attitude against any change in past judgments; they have said, "These judgments have been rendered against you, we are very sorry that we can do nothing for you in the matter." So long as these judgments remain and so long as this is the attitude of the board, then I contend that it is useless for us to make any appeal to them. I submit that parliament is the place where the injustice should be righted; it

could be righted by this bill and changing the act, and we should then have what the east has enjoyed for many years.

I would ask the minister this question. Why is it that in the Railway Act the words grain and flour cover all grain and grain products, whereas when it comes to shipments to the Pacific coast the railway companies distinguish between export grain and domestic grain? I think the word "grain" should be applicable throughout the dominion. It is our view that this phase of the matter should be looked into.

I am not going to discuss the question of the losses sustained by the railways, nor shall I consider the question whether this is the proper time to make the change. In 1925 the railway companies used the argument then and said that they could not make any change because it would mean a dead loss to them if they did so; they opposed any changes in the export grain rates. Well, the Panama canal and the ports of Vancouver and New Westminster have opened up since. The rates were changed with respect to export in 1925, and what happened? The grain traffic has grown considerably. I submit that if we are looking for markets and for a more equitable adjustment as between different products in the country then one of the first things that should be done is to see that grain products are carried equally mile for mile under similar conditions throughout the dominion. I appeal to the government.

Mr. A. E. MUNN (Vancouver North): I congratulate my hon. friend from New Westminster (Mr. Reid) on the gallant fight he has put up in connection with the equalization of freight rates in the west, and I support him most heartily. I am not going into the details of this matter; I do not intend to take up much of the time of the house. The hon. member has set forth the arguments and given the details. We know why the rates have not been equalized. I am not prejudiced against any of the railways, but the fact is that in consequence of the mistake made by one of the railways—it is not necessary to be more specific than that—we cannot get an equalization of freight rates to-day. There is a very simple remedy available; there are thousands of railway men in Canada who could tell you what should be done. This afternoon I heard a good deal about a proposed economic council, and the chances are that when the council is established one of the very first things it will submit to this government, or whatever government is in power, is that the heavy hauls should be over the Yellowhead pass. It seems to me that an arrangement should be made whereby the Canadian Pacific instead of hauling heavy freights up and down the hills, should go through Yellowhead pass, where there is a decent grade. If that were done millions could be saved in transportation in that direction alone. We do not need to go to an economic council for that information; ask any railway man, whether Canadian Pacific or Canadian National, and he will tell you. that.

I cannot understand why not only the members from British Columbia but hon. members on all sides of the house from Alberta to Saskatchewan should not support my hon. friend in the appeal he has made, and I say that for this reason. They have feed grain to sell, and our climatic conditions are favourable to feeding not only poultry but stock. Give us an equalization in freight rates, give us a reduction in the domestic rates, and then the people of Alberta and Saskatchewan will have a market for their feed grain, which they require to-day.

That is all I have to say. I congratulate the hon. member on the fight he has put up, and it is not a political fight. He lives in the Fraser valley where he can see the conditions, and I can appreciate them too although I do not live there. I hope that other hon. members from the west will lay aside their prejudices and assist us, to see whether we cannot obtain a reduction in domestic rates.

Mr. H. J. BARBER (Fraser Valley): I do not intend to discuss this question at any great length to-night. It has been a live subject and a very important one in British Columbia for many years. Let me say to the hon. gentleman who has just taken his seat (Mr. Munn) that the members on this side from British Columbia advocated the lowering of the freight rates long before he ever entered this house, and there is not one hon. member from British Columbia to-day who is not in favour of it to-day.

Mr. MUNN: I have listened to the hon. member several times and have not heard him advocate it.

Mr. BARBER: The hon. gentleman has not been here long enough.

Mr. MUNN: I have been here long enough to know that.

Mr. BARBER: Let the hon. gentleman read Hansard. This is my tenth year in the house, and I do not believe there is a member from British Columbia who has not supported it during that period. One of the first members from British Columbia to take up this fight on behalf of British Columbia, which was the basis of the contention before the board of railway commissioners, was the ex-Minister of Trade and Commerce (Mr. Stevens). When a special attorney was sent here by the Oliver government of British Columbia to fight the freight rates, that hon. member was the man who handed over his file and all the information he had, together with a promise of assistance on behalf of British Columbia. And we have followed in close cooperation with him. The only objection I have made has been to the method of obtaining the reduction. I would refer my hon. friend opposite to some of the statements made by his friends in 1925, statements by his own leader and by the former Minister of National Revenue (Mr. Euler). If my hon. friends will refer to Hansard they will find that both these hon. gentlemen at that time said that the proper body to deal with freight rates was the board of railway commissioners. The former Minister of National Revenue went further and said that if we could not get justice from the board then it was up to us to change the board. I agree with some of the remarks of the hon. member for New Westminster in regard to the commission. I will not say that they have not dealt fairly with this matter, but I suggest that they are not a sufficiently judicial body, and I believe that many of these questions might better be taken before two or three judges of the exchequer court. If some arrangement could be made whereby, instead of appealing to this body, we could appeal to such judges to decide the case, I think the results would be more satisfactory. The question must be decided. Are we to undertake, in this house, the adjustment of the freight structure of this great country—a tremendous undertaking. I agree that the time has arrived when some adjustments must be made. During the last ten years great changes have taken place in our transportation systems, and I think it would be in the interest of the railway companies as well as the people to have a full inquiry. To carry traffic at a lower rate might get back some of the business the railways have lost to the truck lines.

As I said before, I do not intend to make a speech on this matter. I am sure that there is not a member on this side, either from British Columbia or from any part of the west, who is not in favour of the principle of lower freight rates. I had not the privilege of appearing personally before the tribunal which heard the appeal in this matter, but before leaving for the west I did appear and left with them a written argument asking for the inclusion of mill feeds in the reduction in rates on feed grains. Mill feeds are necessary to the dairymen of the Fraser valley, as they must have bran, shorts and chop. I can assure the hon. gentleman that for a number of years we have advocated lower freight rates to British Columbia and we still feel that it is necessary in the interests of the stockmen of that province that a reduction should be made. As to whether or not this reduction should be down to that of the export rate, is a question which will have to be decided but at any rate there should be a reduction on mill feeds to equal that given on feed grains. With these few remarks I hope I have cleared up the suggestion made by the last speaker that we, on this side of the house are opposed to a reduction in the domestic rates on grain. We are for a drastic reduction.

Hon. R. J. MANION (Minister of Railways): Mr. Speaker, the hon. member who introduced this bill (Mr. Reid) stated that he wished to reply, so I should like to know if he intends to allow this bill to go to a vote to-night. If that is his intention I can finish my remarks at one minute to nine o'clock, but if he desires to make a reply, I shall have to go into the question more fully.

Mr. REID: I said that I would like to leave the remainder of my remarks until later. I was reserving that part of my statement in case the government turned down the bill. If the government is going to do that then I feel it incumbent upon me to reply to the minister.

Mr. MANION: The hon. gentleman will have to reply because the government cannot accept this bill. It is obvious to anyone who gives much thought to the matter that the government could not accept this measure. Hon. gentlemen opposite are boasting that they expect to have their party in power after the next election—

An hon. MEMBER: No question about that.

Mr. MANION: I think that is a futile boast. Let me say to them that in supporting a bill of this sort they are laying up trouble for themselves if they should be so fortunate as to come back to power after the

next election. Any government, whether this one or any other, that attempts to make freight rates in this parliament will be occupied with nothing else but the making of those rates. Members from all sections of Canada will be presenting bills and we will have in this parliament a log rolling contest of the most exceptional kind. Hon. members from Quebec, from certain portions of Ontario, from New Brunswick and British Columbia will be wanting special rates on pulpwood. Hon. members from the prairie provinces will be asking for special rates on their grain products, and hon. members from the hay raising sections of Canada will be asking for special rates on that commodity. It is obvious that parliament cannot undertake to fix freight rates for the Dominion of Canada. In 1904 the board of railway commissioners was set up for the purpose of dealing with freight rates. Whether that board is a perfectly functioning body to-day is another question. Without wishing to reflect upon it in any way, I do not say that it is, but that is a different question. The matter of the reformation of the board of railway commissioners is an altogether different question from that of this parliament deciding to make freight rates. The opportunity to appeal from the ruling of the board has always been open to anyone. At the present time my hon. friend is appealing from a ruling on this question and that appeal will come up in due time before the present government. In spite of the fact that this privilege has been open to all during the years, no government has changed or altered a judgment of the board. At certain times different governments have referred back certain questions to the board and asked that they be reconsidered.

The parliament of Canada has not the proper machinery to deal with this most complicated of questions, so parliament has always taken the attitude that it cannot make freight rates. The hon. gentleman, in what has been a fair speech in a general way, has to-night asked this house, the members of which are not familiar with freight rates, to pass upon the judgment of the board of railway commissioners.

SUPPLY

TRADE AND COMMERCE

The house in committee of supply, Mr. MacDonald (Cape Breton) in the chair.

Weights and measures inspection service, including the international bureau of weights and measures, $314,396.

Hon. R. B. HANSON (Minister of Trade and Commerce): When this item was up on Thursday evening last, the hon. member for Swift Current (Mr. Bothwell) suggested that the item should stand in view of what might be contained in the report of the price spreads commission. As it is apparent that that report will not be down for some time it is felt that the item should not stand any longer. On the same occasion the hon. member for Acadia (Mr. Gardiner) made some reference to car loadings of coal in the prairie provinces, and as a result of his observations and interrogation, a statement has been prepared by the weights and measures branch with regard to that particular matter. This statement I desire to present to the committee.

In the matter of discrepancies in the weight of coal shipped in cargo lots from the Alberta mines, it is suggested that this is essentially a railway matter and will be taken up with the railway commission. As a matter of fact this trouble has been given a good deal of attention by the weights and measures service. As a result of complaints in 1924, the weights and measures inspectors in Calgary and Edmonton were instructed to arrange with the railway officials to check-weigh a number of empty freight cars in the coal service, and from this check it was shown that the root of the trouble lay in the inaccuracy of stencilled tare weights, caused by repairing and strengthening cars, by refuse, including coal dust left in the cars, and by rain, snow and ice. The results of these tare weighings were sent to the railway commission in 1925 and 1926 for their information and action, and these checks were made annually for a number of years as the only thing the weights and measures branch could do to try to improve the situation. The work proved effective, for in March, 1930, out of sixty-one cars checked at Edmonton and Drumheller, all but two cars showed errors of only three hundred pounds and less, which the railways consider correct, and since then the department has not received a single complaint.

The officers also check-weighed a number of loaded cars and asked consignee to return unloading weights, and on eight shipments only relatively small errors were reported, only two being over five hundred pounds. In two cases there were errors of 1,250 pounds and 5,330 pounds on two 30-ton cars, and this error was definitely traced to inaccuracy on the part of consignee in unloading in small lots, a factor that should not be overlooked and one which would not be corrected by net loading. This demonstrated that if reasonable care were taken, freight car loading and weighing would give reasonably

accurate results, and it would seem to be a matter for the railway commission to order the railways to exercise such care, since the railways are under their exclusive jurisdiction. If then such reasonable care were enforced, there would seem to be no need for net loading, as to do so would involve heavy expense to the mines in installing costly scales and elevating machinery for net loading purposes.

The inspectors at Edmonton and Calgary are again being instructed to arrange with the railways to make another check-weighing of empty cars at the Edmonton and Drumheller mines, and as soon as these results are obtained, the matter will again be taken up with the railway commission. The railway scales are not in question. They are inspected yearly by the weights and measures inspectors by means of a 60,000-pound test car.

Mr. COOTE: It was very difficult to hear everything that the minister said. Might I ask him how often these cars are weighed so as to obtain their tare weights? That is not done every time a car is loaded, is it?

Mr. HANSON (York-Sunbury): The weighing of the cars is under the authority of the railway commission. I understand that under their orders this is supposed to be done every two years, but the scales on which the department tests the weights of the cars are inspected every year.

Item agreed to.

MAIL SUBSIDIES AND STEAMSHIP SUBVENTIONS

Atlantic Ocean

Canada and the United Kingdom, on the Atlantic, service between, $500,000.

Canada and South Africa, service between, $112,500.

Pacific Ocean

British Columbia and Australia and/or China, service between, $118,800.

British Columbia and South Africa, service between, $84,000.

Canada, China and Japan, service between, $690,000.

Canada and New Zealand, on the Pacific, service between, $200,000.

Prince Rupert, B.C., and Queen Charlotte islands, service between, $12,000.

Vancouver and the British West Indies, service between, $36,000.

Vancouver and northern ports of British Columbia, service between, $18,000.

Victoria, Vancouver, way ports and Skagway, service between, $12,000.

Victoria and west coast Vancouver island, service between, $10,000.

[Mr. R. B. Hanson.]

Local Services

Baddeck and Iona, service between, $8,000.

Charlottetown and Pictou, service between, $25,000.

Charlottetown, Victoria and Holliday's wharf, service between, $4,600.

Grand Manan and the mainland, service between, $33,000.

Halifax and bay St. Lawrence, service between, $2,000.

Halifax, Canso and Guysboro, service between, $6,750.

Halifax and Sherbrooke, service between, $900.

Halifax, LaHave and LaHave river ports, service between, $2,000.

Halifax, South Cape Breton and Bras d'Or lake ports, service between, $3,500.

Halifax, Spry Bay and Cape Breton ports, service between, $4,000.

Halifax and west coast of Cape Breton, service between, $4,000.

Ile-aux-Coudres and Les Eboulements, service between, $1,100.

Mulgrave, Arichat and Canso, service between, $33,750.

Mulgrave and Guysboro, calling at intermediate ports, service between, $9,500.

Murray Bay and north shore, winter service between, $40,000.

Parrsboro, Kingsport and Wolfville, service between, $2,000.

Pelee Island and mainland, service between, $8,250.

Pictou, Mulgrave and Cheticamp, service between, $11,000.

Pictou, Souris and the Magdalen islands, service between, $37,500.

Quebec, Natashquan and Harrington, service between, $76,500.

Quebec, or Montreal and Gaspé, calling at way ports, service between, $60,000.

Rimouski and Matane and points on the north shore of the St. Lawrence, service between, $50,000.

Rivière-du-Loup and Tadoussac, and other north shore ports, service between, $12,000.

St. Catherine's bay and Tadoussac, service between, $2,558.26.

St. John, Bear River, Annapolis and Granville, and other way ports, service between, $2,000.

St. John and Bridgetown, service between, $1,000.

St. John and Margaretville, and other ports on the Bay of Fundy, service between, $2,800.

St. John and Minas basin ports, service between, $3,500.

St. John and St. Andrews, calling at way ports, service between, $3,000.

St. John, Westport and Yarmouth and other way ports, service between, $13,000.

St. John and Weymouth, service between, $1,000.

Summerville, Burlington and Windsor, N.S., service between, $750.

Sydney and bay St. Lawrence, calling at way ports, service between, $18,000.

Sydney and Bras d'Or lake ports and west coast of Cape Breton and Prince Edward Island, service between, $20,000.

Sydney and Whycocomagh service between, $12,000.

Inspection and subsidized steamship services. $4,000.

Mr. CASGRAIN: May I ask the minister for some explanation with reference to the item of $1,100 for the service between Ile-aux-Coudres and Les Eboulements?

Mr. HANSON (York-Sunbury): What particular information would the hon. gentleman like to have?

Mr. CASGRAIN: I would like to know whether there is a contract at present in force for this ferry boat service.

Mr. HANSON (York-Sunbury): There is a contract dated June 25, 1934, and the duration of it is until June 30, 1939. This is a joint contract between the Department of Trade and Commerce, the Post Office Department, and Alphonse DeGagné.

Mr. CASGRAIN: Was the contract awarded in 1934 in the month of May? If my recollection is correct, last year no amount of money was voted for a subsidy for that ferry boat service, because the predecessor of the present Minister of Trade and Commerce had refused to grant a subsidy for it. I wonder how it is that the contract was started in the month of May if no subsidy had been provided.

Mr. HANSON (York-Sunbury): I am instructed that no service was performed in 1932 and 1933, but in 1934 tenders were called for and Alphonse DeGagné was the successful tenderer. An order in council was passed on May 13, 1934, awarding the contract to him. Tenders were called for on March 26, receivable up to April 30. Six tenders were received. There was an amount of $786 in last year's vote.

Mr. CASGRAIN: So last year this man received only $786. Does this vote cover only part of this contract? Will he receive something else from the Post Office Department?

Mr. HANSON (York-Sunbury): This $1,100 is all he will receive from this department. The balance I presume will be received from the Post Office Department.

Mr. REID: Could the minister tell us if these large items for the Pacific coast are for mail, or are they for mails and subsidies for lumber?

Mr. HANSON (York-Sunbury): They are not all for mail; some of these ships carry mail and some do not. The first one, British Columbia and Australia and/or China, is a lumber subsidy. Mail is not carried.

Mr. REID: Would it take long to go down the list? I am interested, as I have a bill before the committee.

Mr. HANSON (York-Sunbury): British Columbia and Australia and/or China is a freight service. British Columbia and South Africa is a subsidized freight service. The Canada, China and Japan service is of course the Canadian Pacific mail service. Canada and New Zealand is a mail service. Prince Rupert and Queen Charlotte islands is a general service with mail.

Mr. HANSON (Skeena): What companies handle that?

Mr. HANSON (York-Sunbury): The Prince Rupert and Queen Charlotte islands service is handled I believe by the Canadian National.

Mr. ELLIOTT: I am not anxious to hold up a number of items, but there is an item relating to steamship subsidies that I am greatly concerned about in connection with some advances made to the Richelieu Corporation in 1933. I do not think this is just the time to discuss the matter, as there is litigation pending which is likely to terminate in the course of the next two weeks. One of the members who is very much interested is not here, and I would appreciate it if the minister could see his way clear to give us an opportunity to discuss the matter at a later day—I suggest after the criminal trial is finished, which, as I say, I expect will be within the next two weeks.

Mr. HANSON (York-Sunbury): I quite appreciate what the hon. gentleman has in mind, and I am very desirous of accommodating myself to his wishes. I do not know that the criminal trial would have any bearing on any debate or statement here, although possibly I am not fully advised on that point. But there are some supplementary estimates to come; could we not proceed with this item with the understanding that the question which my hon. friend desires to discuss could be taken up on the supplementary estimates? As a matter of fact there is no item in this whole list of steamship subventions that is really pertinent to the subject matter which my hon. friend has in view; there used to be one which would have been appropriate. But I should think there would be ample opportunity to discuss the matter under the supplementary estimates or even under the relief act.

Mr. ELLIOTT: All I am concerned about is that an opportunity be given when my hon. friend is here—and he is here most of the time—to discuss this matter. I hold no brief for the people who are accused, but as they have a trial pending within ten days or two weeks and as they come from another province than that in which they are being tried.

perhaps a discussion now would not be well timed. As long as the minister makes the statement, which is perfectly acceptable, that we shall have an opportunity of discussing it at a reasonable time—

Mr. DUFF: Carried.

Mr. ELLIOTT: You wait. As far as the supplementary estimates are concerned my hon. friend knows how they go through, sometimes at the last moment. I would not want it deferred until the very last, but if the minister could see his way clear to give us an opportunity under the relief program that would be satisfactory.

Mr. HANSON (York-Sunbury): The hon. member's position is I think quite clear, and I will give an undertaking now. There is one supplementary estimate for the current fiscal year under which I will undertake that he shall have an opportunity to discuss the matter which he has in view; or I will arrange that he may discuss it under the relief act—one or the other of those two items. Meantime I should like to make progress with this large item.

Mr. ELLIOTT: That arrangement will be quite satisfactory. I am greatly obliged to the minister for that assurance.

Mr. HANSON (Skeena): In connection with the China and Japan service, I understand that representations have been made from the timbermen's association and also from the associated boards of trade that when this subsidy is granted for this year it be stipulated that certain boats shall call at Prince Rupert on their way to the orient.

Mr. HANSON (York-Sunbury): I am glad to be able to tell the hon. gentleman that arrangements are being made for eight calls per annum at Prince Rupert on the outward voyages if reasonable cargo offers, and if reasonable cargo offers I have no doubt arrangements can be made for a call inward.

Item agreed to.

NATIONAL DEFENCE

Civil Government—

Salaries, $402,692; contingencies, $45,948.

Some hon. MEMBERS: Carried.

Mr. WOODSWORTH: Before the item is carried may I ask the minister to give an answer to some questions which I proposed when his estimates were last under consideration? I suggested then that we might very well have some outline of the policy of the department. I think almost every other department has a certain well defined policy. The minister has no doubt had an opportunity of reading the questions which I then asked. They were not asked in order to embarrass the department, but I think we have a right to some knowledge as to the general policy of this country in matters of defence.

Hon. GROTE STIRLING (Minister of National Defence): The policy of the government with regard to the Department of National Defence is identical, so far as I know, with the policies adopted by governments in the past. There should be a department to take charge of the defence of the country. There should be a force, represented by the three branches of the service, capable of undertaking the defence of the country should the country's boundaries be in jeopardy. That force is divided into the naval service, the militia service and the air service and it is composed of the permanent and non-permanent forces. The permanent force is a small, highly trained, extremely efficient body of officers and men which in times of peace largely acts as a training force for the non-permanent active militia. The non-permanent active militia is composed of the various branches of the militia service, the air service and the naval service, and it is an entirely voluntary body of men whose payment by the country is simply that payment which reaches them for the period of training each year. They go out for their training and the recompense which they receive is but small. The expenses, therefore, to which those non-permanent units are put are very largely paid by the officers of those units, to whom in my opinion the country owes a considerable debt of gratitude. They give their time, their interest and their service, and we have but to look back to the outbreak of war in 1914 to see the test to which the defence forces of Canada were put. The plans which had been made, somewhat modified year by year, were put into operation and these skeleton forces were rapidly expanded into such bodies of men as were capable of joining the contingents of other parts of the empire in the war into which unfortunately we were cast, for the protection and security of the country.

I do not know that in any way the Department of National Defence has changed what has been the policy of the department in this country for many years past. It has to see to it that the forces at its disposal are kept up to the mark; that at least an attempt is made to keep abreast of modern developments in the conduct of punitive expeditions, and it has to maintain a service of efficiency

which will stand the test when the testing time comes. In addition it fulfils another duty, that the force should be distributed throughout Canada in the military districts in such a way that if called upon by the provincial governments in times of stress and strain, through civil disturbances within their own boundaries, they can render such assistance as may be necessary to support the police forces of the country. The Department of National Defence, therefore, is retained and upheld for these two main purposes.

Mr. WOODSWORTH: Is there any close, steady cooperation between the Department of National Defence and the Department of External Affairs?

Mr. STIRLING: There is that cooperation which exists between and throughout all the departments of government.

Mr. WOODSWORTH: The minister suggested that prior to the last war there were certain general plans in existence. Is there any definite plan with regard to any future war that might break out? Is there a plan ready for the defence of Canada in such an event?

Mr. STIRLING: There are the necessary plans under which the forces would be called upon to operate in the event of trouble breaking out. Those plans of course cannot be described in public. They exist; they are relied upon, and they are modified as events take place.

Mr. WOODSWORTH: In the event of a European war is it the present plan of the department that our forces could be mobilized and thrown into the war zone in Europe? Is that in contemplation at the present time?

Mr. STIRLING: No, Mr. Chairman; I should not say that is in contemplation. Certain forces of Canada were drawn into a European embroglio some eighteen or nineteen years ago. The plans were sufficient for that at that time, and we must assume that the plans would be sufficient for Canada to undertake whatever share the government and the people decided she should take if the occasion arose.

Mr. WOODSWORTH: Does any representative of the Department of National Defence sit on the imperial council in London?

Mr. STIRLING: No.

Mr. WOODSWORTH: Is there any sort of arrangement with regard to what might take place in connection with the air force in the event of hostilities breaking out in Europe?

Mr. STIRLING: No, not in the sense that I gather the hon. member has in mind. There is an exchange of officers, two in number, between the imperial army and the Canadian militia forces; there are two of our officers in England and two imperial officers in Canada. They might be called liaison officers, and in addition there are a certain number of Canadian officers of each branch of the service, I believe, continually undertaking courses in England, but there is no definite Canadian representative on any defence council of the empire.

Mr. WOODSWORTH: Then there is no definite arrangement under which the Canadian air force would become a unit of the imperial air force?

Mr. STIRLING: No.

Mr. WOODSWORTH: Does the minister think that in the event of war in the Pacific Canada alone would be able to defend the Pacific coast from anyone who might invade Canada or bombard our ports?

Mr. STIRLING: That is rather a large question, Mr. Chairman, to which I do not know that I am capable of giving a definite answer. In the last war the Pacific coast was not attacked. I do not know that I am in a position to say, or that the hon. gentleman could give an opinion, as to whether Canada's defence forces would have been adequate for the purpose if that coast had been attacked.

Mr. WOODSWORTH: I am not speaking of the last war; I am speaking of any future war. I take it that the task of the Minister of National Defence, so long as we have a department of national defence, is to make adequate military provision against attack. I ask him, as the responsible head of that department, whether he considers that our forces on the Pacific are sufficient, unaided, to defend the west coast of Canada from any attack.

Mr. STIRLING: I think that would depend entirely upon the strength of the attack.

Mr. WOODSWORTH: Well, that is quite obvious; I would scarcely need to be told that. I do say however that we have an exposed coast in the west. According to the minister we are spending a large sum of money in the hope that through military means we may be able to defend ourselves. Some of us are not very enthusiastic about that method, and we are not at all sure that

it is the best means of maintaining ourselves in a state of peace. However I take it that the fact we have a department of national defence and are spending about $15,000,000 on it presumes that as a country we are confident that we are adopting the proper way in which to defend ourselves. Does the minister contemplate that the forces at his disposal will be sufficient to defend Canada in the event of any material attack on the west coast?

Mr. VALLANCE: Obviously no.

Mr. STIRLING: The force which would undertake the defence of the Pacific coast would be distributed in such a way as to do its very best to effect that end. The extent of the defence which could be undertaken of that or any other part of the country is closely connected with the amount in dollars voted by this committee for the Department of National Defence.

Mr. WOODSWORTH: For the moment I am confining my observations to the matter of national defence, and I am assuming that we are not spending these moneys for any nonsensical reasons. We have an extensive coast line in the west, and two little vessels to defend it.

Mr. LAPOINTE: That is enough.

Mr. WOODSWORTH: Someone says that is enough. In the judgment of the minister is the force sufficient to enable us to defend ourselves in the event of a serious attack on the west coast? I believe my question is a reasonable one.

Mr. STIRLING: I do not believe I could add anything to what I have already stated. The forces at our disposal on the west coast would do the best they could, and the success or failure of their efforts would depend on the strength of the attack made against them.

Mr. WOODSWORTH: What is the size of the force?

Mr. MERCIER (St. Henri): Two by four.

Mr. WOODSWORTH: I refer to the naval forces available.

Mr. STIRLING: Two destroyers and one mine sweeper.

Mr. WOODSWORTH: What is the air force available?

Mr. STIRLING: I wonder if the hon. member would be content if we discussed the air force when we reached the vote for aviation.

[Mr. Woodsworth.]

Mr. WOODSWORTH: Very well. Following up my earlier questions may I say that my thought is this: If I am at all right it is surely obvious that with our very small naval force, supplemented by the air force available, Canada would find it quite impossible to defend herself against any serious attack along the west coast. That being so, may I ask whether there are any definite plans by which the British navy or the American navy would come to our defence?

Mr. STIRLING: Not that I am aware of.

Mr. ROSS: I am pleased to hear the discussion which has taken place on this item. The remarks I should like to make may have some bearing on following items in the estimates, but perhaps it would be convenient to complete my observations at this time. During the last few days I believe that as citizens we have been compelled to give more serious consideration than has been given in the last twelve or fifteen years to the estimates of the Department of National Defence. Hon. members should consider these votes and ask themselves what we have reserved for the $9,000,000 or $12,000,000 or such sums as have been voted in the years following the close of the last war. The vote has increased from $8,000,000 to $10,000,000, $11,000,000 and so on. I believe it is quite in order that hon. members should ask what we are getting for these large sums of money, and whether we are getting what we should have at the present time.

Some time ago I spoke about the nature and the extent of the next war. The result has been that there has been an increase in the estimates along the lines I suggested. We note an increase in the estimates for the air force, amounting to about $700,000. Undoubtedly history has shown that we have always been preparing for the past war, not for the future war. Following the continental wars and the wars of the American independence we put all our time and consideration upon improving the infantry. Following the South African war we directed our energies to an improvement of the cavalry and the mounted infantry. Since the close of the great war it may be that we have been going a little too far in the development of artillery. In other words we are constantly preparing for the war that is past, not for the war that is likely to come.

If I had my way there would be no more wars. I have had as much experience in war as any hon. member of the house. Possibly more. The old British army without a doubt has outlived its day and has gone. What a

splendid history it had! Beginning under adverse opinion it worked its way into the affections of the people, the parliament and even its enemies. When the army of Marlborough returned from its great wars and victories the men were treated as plagues. In England they were looked upon as pests, despite the fact that they had only recently returned from their glorious victories. Following 1763, when through the acquisition of colonies Great Britain became an empire, the suggestion was made that there be a standing army to be used to garrison the outposts of the empire. The people in parliament treated that army as another plague, and the cry of "down with the standing army" was raised. Mercenaries had to be hired to do the work, and the service given was altogether unsatisfactory. Again in 1815 the British army returned home after its glorious victories, having saved the empire and perhaps the whole of civilization. Again they were treated as plagues and pests. After 1815, however, the empire was greatly enlarged by acquisitions of considerable extent, and accordingly a force had to be raised and maintained. What treatment did it receive? Instead of being retained at home practically the whole army was banished to foreign service and had to undergo great misery and suffering. In Australia it lived in a state of wretchedness. In Cape Colony, now Cape Province, it was almost abandoned; in the tropical countries yellow fever almost wiped them out, eighty per cent of the force vanishing each year. In the West Indies, where we are told there is a delightful climate, the army lost forty per cent of its number. In Minorca the army was sent without bedding and meat was omitted from the ration. In Burma in 1824-26 it marched through the jungles without vegetables, milk or meat and only one out of seven of that army returned. I am giving this historical illustration to show what the army has gone through and what splendid service it has rendered to the empire. Here was an army in terrible condition, passing through cruel suffering in the Crimea, and for the first time the British public began to realize its responsibilities. For the first time the people of Great Britain began to see that they were responsible for that army and for the conditions under which they served, and for the first time British soldiers returned from victory to be decently treated by the British people and the British parliament. The army has had a wonderful history, and I bring this up because I want the house to realize how much the empire has owed to the army in the past, what splendid service it has given and what a record it has made for the British people. British soldiers entered a country on every occasion as an enemy, and invariably came out friends of the people into whose country they went. In South Africa the British army marched through the whole field without one complaint from the citizens of misbehaviour. The Peninsular army marched from the Pyrenées up to the channel and returned home without a complaint from a single citizen.

This is the army we have been proud of, but its day is gone. It has left a great responsibility, however, upon the people of the British empire, upon the people of Canada, that of seeing that similar conditions do not prevail in the future. If another war should come, which God forbid, let us see to it that those who go first shall not be left in the position of those who went first in former wars. One hundred thousand were completely wiped out for lack of preparedness; one hundred thousand lives were practically sacrificed in order to afford time to make preparations so as to meet the enemy. Consider what we are doing. What I am about to say is not intended as criticism, though perhaps we have been indifferent. The old army is gone. We have remnants of it going around yet; we have an infantry parading with rifles, which are as obsolete to-day as the bow and arrow when you remember that there are machine guns. We have the Royal Canadian Horse Artillery in Kingston without horses; and yet they include swords and spurs in their equipment. If you want to realize what is really important so far as service goes I would ask you to read a part of the report of the Department of National Defence. Let us read that report and ask ourselves whether we are satisfied with the conditions which that report discloses. There is no question whatever that the air will be of greatest importance in future preparations. I would refer the committee to page 76 of the report for this year, though there may be some changes, and I would ask the minister whether in his opinion an increase of $700,000 is sufficient for preparations. At page 76 we have the different types of machines set out:

Siskin.—Single seater fighters of a type which has been withdrawn from service in the Royal Air Force as obsolete. The last Siskin was purchased in January, 1931.

Atlas.—An army cooperation type now being withdrawn from service in the Royal Air Force. Although not up to date, this type is satisfactory for army cooperation training. The last Atlas was purchased in December, 1928.

Vancouvers.—These aircraft were originally purchased and used for civil government work but have now been modified for service purposes.

Training types:

Fleets.—A two seater training type suitable for ab initio training.

Moth 60.—A light two seater training type now obsolescent.

Avro 621.—A two seater training type which has been adapted for army cooperation training.

Courier.—An obsolete type but retained in service for air firing practice.

Tomtit.—A two seater type used for practice purposes.

Other types are mentioned, such as Fairchilds, Bellancas, Fords and so on, and there is this footnote:

These aircraft are rapidly becoming obsolete, although a number are still suitable for civil government operations. A few are suitable for training purposes.

If the minister says that he is satisfied with what this report discloses then I do not think that this house should be satisfied. If we are to have an air force, and it is one of the three I consider necessary, then it should be properly equipped, and it is the duty of the members of this house and of the citizens of this country to see that the force is properly equipped. No doubt the minister will discuss this matter, and I am sure he will agree with me that the present state of affairs is not satisfactory. I want him to tell me whether he really thinks that an increase of $700,000 is adequate. Every member of this house and every citizen in the country, I have not the slightest doubt, will advise him to get after the air force and introduce modern types—that is, if we are to have a defence force as more than something to play with, if it is at all necessary, and if this vote of $9,000,000 is not to be lightly passed over without proper consideration. It may be, with these dark and threatening clouds overhead, that we may change our whole equipment and our whole policy, and on this point I will speak later.

Leaving the air force for the present, let us see what the situation is so far as the sea is concerned. Again we have nothing but the splendid recollection of the wonderful British fleet. How these names have stirred us from boyhood up, the names of great sailors who have made the British empire what it is. But the battleships of the earlier days are gone; their usefulness has ceased. Speeds of twenty and twenty-one knots an hour are no longer adequate; to-day they are building the nine and ten thousand ton cruiser with a speed of thirty and thirty-one knots. But after all, is that the important part of the defence force? I am sure that the hon. gentleman is sincere, but just think of the great Pacific coast absolutely without any defence. We have two or three little cruisers there, and as soon as any trouble arises you will have to bring them in behind a rock or under cover somewhere. If trouble arose between any other two nations this country would suffer. What is practical sea defence to-day? It is no longer battleships or cruisers, it is the submarine. The history of the last war shows the important part played by submarines. I hope the committee will grant me a few moments to give a picture of what happened during the last war.

In August, 1914, we lost 40,200 tons of shipping through the action of submarines. In July, 1917, we lost 364,000 tons by this means. During the period of the war 6,692,000 tons of British shipping were sent to the bottom and at the beginning of the war we had only 20,000,000 tons. We were finally losing more ships than it was possible to replace under any policy of shipbuilding. If we are going to have naval defence, the only defence I can see will be of any use to us is that furnished by submarines. The cost of this type of defence is very small when compared with the cost of training infantry, cavalry and so on. Lloyd's estimate that during the war we lost 5,861 vessels with a tonnage of something like 13,233,172, a figure greater than the one I have given.

I do not wish to detain the committee, but there is a point or two I should like to bring to its attention. If we are to have defence, I think we should spend the money on something which will be up to date and let the rest go. I should like to make two or three proposals. I suggest that the future policy of defence should not be left in the hands of the three or four permanent officers who compose the council. No one knows whether they ever meet and no one knows what propositions are considered. I think this council should include some public representation. The future war will not be a matter of bullets and powder, it will be a matter of industrial activity.

Mr. MERCIER (St. Henri): Chemistry.

Mr. ROSS: That is industry. We have heard a lot about councils to-day, but I think the one spoken of this afternoon is going to work out. I believe civilian representation on the defence council would be of great assistance.

There is another objectionable matter in connection with the permanent forces. These forces are made up of a number of young men and in my opinion they should be en-

couraged to make permanent homes. Yet when they want to get married they are told that they must wait their turn. A man may have to wait about fifteen years in order to get a place. I say to this council that they should cut out the swords and the spurs, eliminate these antiquities and let the men of the permanent forces marry when they will and give them an extra allowance when they do marry. If this is done I think we will have a better force, as the men will appreciate this.

Men have been permitted to rise in the permanent forces step by step and retire when they have reached the limit of superannuation or pension to enter into competition with other people in civil government appointments. There are men with thousands of dollars of pension occupying civil government positions paying salaries of eight, nine or ten thousand dollars. The same thing happens with great war pensions. Men are receiving pensions of $180 a month and occupying other government positions. This thing should be evened up. When a man has a substantial pension I think he should be satisfied and not try to occupy another position.

I should like to refer to another matter in connection with the forces in the north. These men are out of contact with their families. A short time ago a young man from my constituency who was in the signal corps alone on Camsell river disappeared, it being supposed that he was drowned. He had a life insurance policy amounting to $2,000, by which $1,000 was left to his mother and $1,000 to his father. In addition he had about $200 in the bank. It has taken every cent of the money he had in the bank as well as some of the insurance money to get his estate settled up. The department insisted that the insurance policies should be sent up north in order that his estate might be settled. I am mentioning this simply as something which may concern other boys who are in the north in the flying or signal corps. This boy was an only son and the parents have been put to considerable expense in having his estate settled. I hope the minister will see that in future cases the department will be fair.

Mr. WOODSWORTH: Mr. Chairman, I should like to go back to the point I was discussing just before the hon. member for Kingston City (Mr. Ross) rose. I quite agree with the hon. member that spurs, swords and that sort of thing are obsolete, and that undoubtedly from the standpoint of defence the air forces are the ones that will be used most in any coming war. But it seems to me that war itself is or ought to be obsolete; that arms have been shown to be no real defence and that we are to-day simply playing with this whole business. I am not so much concerned about the expenditure of the $15,000,000, although that is a large amount and it might very well be used to much better advantage, but I believe this expenditure of $15,000,000 not only is very largely a waste of money but so far as other nations are concerned, tends to be provocative and at the same time to lull us into a sense of false security. We have undoubtedly come to a position in the history of the world when no one nation can stand alone and hope to defend itself against all comers; yet that is practically the position which the Minister of National Defence is taking, that in a vague sort of way we have to have the army, the navy and the air forces to be able to defend ourselves effectively. That is an altogether fallacious way of looking at the matter; it belongs to an earlier age and not to the situation in which we find ourselves to-day.

We have had references again and again to the strength of the British navy. That may have been all very well in the old days, but I would point out that that strength is not what it once was. At one time Great Britain thought she ought to be able to have a naval strength equal to that of any other two countries. Those claims have had to be surrendered. More recently she thought she ought to be equal in naval power to the United States, to any one other naval power. Those claims too can hardly be maintained. It is only within the last few months that the old idea of the ratio of five, five, three, as between England, the United States and Japan, has been challenged, and with the disarmament conference practically dissolved, we do not know what may happen in the future.

I spoke a few minutes ago about the Pacific. Anyone who knows anything at all about the strength of the Japanese navy must recognize that if anything happened in the orient—and the Japanese may easily break out at any time—our western coast would be exposed to one of the greatest navies of the world, and I do not think anyone can say that Canada alone would be equal to defending herself. Then it is not at all clear that in such a contingency we could rely upon the British navy. That is why I ask whether any arrangements are being made by which we could have cooperation with the United States navy; for I would point out, as is recognized even by many of the British authorities to-day, that

Canada's interests on the North American continent are essentially different from those of Great Britain, and as one of the Pacific powers we shall have to deal with the situation on the Pacific. I think we have a very considerable advantage in being a neighbour to a great nation, the United States; yet I would be one of the last to suggest that we should come to depend upon them and be gradually absorbed into the great United States republic. But let us look at the situation: if trouble broke out between Japan and either the United States or Canada, these two nations would be drawn in together; that is a real situation to-day.

There was a day when we felt we were simply colonials and could more or less depend upon Great Britain and would have to follow her lead. With all due respect to the United Kingdom, I think most of the people of this country think of Canada as an independent nation within the boundaries of the commonwealth of British nations, but do we propose simply to follow the British lead? We have really no voice in the determination of the war or peace policies of Great Britain. She may become involved in Africa, India, the far east, and then without our having had any participation in the perliminary arrangements, we may be asked to assist. Canada did assist in a military way back in 1914, but personally I am of opinion that it would not be so easy now as it was in 1914 to rally the Canadian people to send troops to Europe, and that not through any disloyalty to the British empire, but because a new idea has come to our people as it has to a great many of the peoples of the world. I would say this, that one of these days unless we throw ourselves into some sort of imperial conference in which we shall have a real participation and can have a real voice—and this few would advocate—we shall be faced with a situation where we may be called upon once again to back Great Britain and we may refuse to do so. Great Britain will, without our having had any participation, present us with a fait accompli. Then what? Can we depend upon the sentiment of the Canadian people? Personally I do not think so, and under such circumstances it would be only fair for us now to say frankly to Great Britain: We do not propose at any time to throw ourselves into a European war. I believe that would be the sentiment of two-thirds of the Canadian people to-day. Surely it would be fairer for us to intimate that to Great Britain at this time than to wait until she is in a tight pinch and then fall back and refuse to give her help. Those are considerations that should be fairly laid before our people and definitely decided upon.

When the great war was over, I take it that the vast number of people had come to the conclusion that war was a failure; that war settled nothing whatever. War was waged against Germany, war has given us in place of the kaiser, a Hitler, and in place of the bureaucracy the Nazis—no very great improvement. War did not settle the affairs of Europe; European affairs are in as great a turmoil to-day as they were prior to the war of 1914. There are imminent dangers both on the continent of Europe and in the far east. War has settled nothing. The warring nations after the armistice got together and decided that they would try to secure peace through some other means than armaments. Then came the treaty of Versailles and the setting up of the League of Nations. Well, the last few days have I presume disillusioned a great many people with regard to the security to be obtained through the League of Nations. We have seen the German nation through Hitler absolutely repudiate the Versailles treaty, and of course we are all indignant over that. But let me point out that Germany is correct in her contention that she was not the first to repudiate the Versailles treaty, that the allies failed to live up to their obligations under it. When Germany laid down her arms, she laid them down on the express condition that the other nations would proceed to disarm. That the allies have not done. We might as well frankly face this situation. Hitler may be as bad as most of us think him, but at the same time we must admit that the development of feeling that has taken place in Germany in the last few years is quite understandable on account of the treatment we have accorded her. I do not want to go into that question in any great detail, but lest anyone should think I am expressing merely a personal opinion, I picked up from my file an article written by Lloyd George and appearing in our papers of September 19, 1932. In this article he has this to say:

> There were four men primarily responsible for framing the treaty of Versailles, which terminated the greatest war in human history. M. Clemenceau, President Wilson, Signor Orlando and myself.
>
> It not only recast national boundaries in two continents, but it sought to inaugurate a new reign of peaceful adjustment in international disputes by substituting machinery of justice for mechanism of force.

That was the purpose, an effort to substitute the machinery of justice for the mechanism of force. I submit that in the estimates which are before the committee to-day we are still clinging to the idea of the

mechanism of force. Nearly every nation is doing the same, although we did dream for a little while of substituting the machinery of justice. He goes on:

To carry out this idea practically, we imposed upon Germany, who was accused of trampling by organized violence on international right, the most ruthless destruction of its peccant armaments.

When the German delegates displayed natural hesitation about accepting these conditions, which reduced their fatherland to impotence in an armed world, Clemenceau wrote them a letter on behalf and at the request of his colleagues, assuring the Germans that their disarmament would be treated as a prelude to steps for general reduction of armaments by the other nations.

This pledge is also expressed in the covenant of the League of Nations. It was accepted by all the signatories of the treaty and ratified by their senates.

Two out of four who drafted that solemn undertaking have passed away, Clemenceau and Wilson. Signor Orlando and I remain.

Now I ask the committee to listen to this:

As one of the two survivors, I have no hesitation in accepting the German view that the victorious nations have shamelessly broken faith on the question of armaments. I should be surprised to hear that my co-survivor, Orlando, took a different view of the turpitude of the victors in this respect.

That is strong language, but it is the language of one who knew the situation, and it is substantiated by the text of the treaty itself. He said:

I have no hesitation in accepting the German view that the victorious nations have shamelessly broken faith on the question of armaments.

Then he went on:

The Germans revolt against unscrupulous agitators and designing militarists. Statesmen of the fatherland have for thirteen years shown a degree of patience, forbearance and restraint which is worthy of the great people they represented. Throughout this period the bond they entered in an hour of crushing defeat was being enforced relentlessly against Germany and her allies, whilst other parties to the contract insolently refused even to discuss performance of their part of the agreement.

Under the circumstances I do not think that we can altogether blame Germany for the action which she has taken, lamentable as we feel that it is. But that simply opens up the whole question of what we are going to do about it. Comparatively few of our Canadian people have taken the Versailles treaty very seriously. Within the last few weeks the present government have been introducing considerable legislation on the ground that it was obligatory on us to implement pledges which we made at the time of the signing of the peace treaty. Notwithstanding that, we have not taken the league seriously. We have been members, it is true, but we hardly ever discuss in this house what the league is doing; in fact the tendency has been more or less to scoff at the league. I confess that for a long time I for one had no use at all for the league. To me it was largely a league of victors, and it was only after other nations, such as Germany, began to come in that it seemed to me that possibly it might be used as an instrument for bringing about peace. To-day I am not so sure whether under the present leadership, and under the present system, we can depend upon the league. In any case I submit that we in Canada have not carried out our obligations as members of the league. For example, article 10 says:

The members of the league undertake to respect and preserve as against external aggression the territorial integrity and existing independence of all members of the league. In case of any such aggression or in case of any threat or danger of such aggression the council shall advise upon the means by which this obligation shall be fulfilled.

Or again, article 16:

Should any member of the league resort to war in disregard of its covenants under articles 12, 13 or 15, it shall ipso facto be deemed to have committed an act of war against all other members of the league, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking state, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking state and the nationals of any other state, whether a member of the league or not. . . .

The members of the league agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking state . . .

These are some very clear cut pledges that we, together with the other signatories, gave at the time of the signing of the peace treaty. We had the matter tested in the case of the incident in Manchuria when Japan, although not formally declaring war, practically engaged in war against China and took part of what was generally recognized as Chinese territory. What did we do? Our representatives rather meekly followed the lead of Sir John Simon in the matter and refused to live up to our obligations, with the result that Japan ultimately took over Manchuria, set up her own puppet state there and to-day is launching still further attacks upon China that seriously

menace the peace of the far east. We have not lived up to our obligations under this treaty.

Now I come to the question of the purpose of our army. I asked the Minister of National Defence to-day how far we are prepared for effective action. He said not a word as to our obligations under these clauses of the treaty, not a word. If we are in any sense depending upon securing peace through the league, then it seems to me the only thing we as a member of the league can do is to live up to our obligations. Surely that is a reasonable position to take. But we have persistently refused to surrender any of our narrow self-interest. We have refused to surrender our sovereignty —and not we alone but nearly all the nations of the world—notwithstanding that all history shows that smaller units have had to give place to larger organizations, and that to-day no nation can live into itself.

I must confess I often feel, as I know a great many of my fellow Canadians do, that we must more or less retire into ourselves and escape from entangling alliances with Europe. But suppose we do try to live to ourselves; have we solved our problem? I come back to this question: Are we in Canada to-day prepared to throw ourselves into an adequate national defence scheme? If we alone, without reliance upon the British empire or upon the members of the league of which we form a part, propose to defend ourselves against all comers, then it is surely obvious that our defence is hopelessly inadequate. Instead of spending $15,000,000 I suppose we ought to pour out the money, but I do not think we would be any better off then than we are to-day. Are we going to depend upon Great Britain? If we are I am not so sure that logically the advocates of a contribution to the British navy have not a good deal to say for themselves. If we are going to depend upon that navy it might be well said that we should contribute to it. I say this might be the logical position to take, though personally I cannot believe that our salvation will come about through depending upon the British navy or making a contribution to it.

Are we going to depend upon the United States? I fancy that in case of an outbreak say between Japan and the United States, Canada would be dragged in and it might very well be that the United States would be glad to defend us against aggression. Then is our destiny to be absorbed by the United States? Some of my ancestors came to Canada after the revolutionary war in order to be on British territory, and I cannot very well contemplate political absorption by the United States, much as I should like to see a very much closer economic connection than we have to-day. But are we going to depend upon the United States? Is there nothing ahead but international anarchy?

When I brought up this matter a year ago it was the acting Minister of Immigration, if I remember rightly, who rather rebuked me. He decried this talk about war, but there has been war in the past and I submit that if the predisposing causes remain there will be war in the future, and we cannot very well read the dispatches of the last few days without recognizing that war in the not remote future is not an improbable thing. Most Canadians want peace. When I brought up this matter the other night the Minister of Railways (Mr. Manion) delivered a regular tirade against me, and spoke as though I had been lecturing the house. Nothing was further from my thoughts. I am not intending to do that now. The Minister of Railways spoke as though we could take it for granted that we all wanted peace. I think most of us do want peace; I think most hon. members opposite and most of the Liberals want peace, just as we in this corner and most of the citizens of Canada want peace. There is an occasional man, however, who seems to hanker after war. About a year ago I noticed in the press that Colonel Cockshutt had this to say:

> These have been rather dark days for soldiers, but the glorious days will come again. . . . Europe to-day is in a turmoil, and Canada's men of war may yet be needed. The spirit of the empire still lives.

I hope that is not characteristic of the attitude of a majority of Canadians, but I do urge that we are not going to get peace simply by wishing for it or praying for it; we will get world peace only as we definitely adopt those measures which will bring about peace. By relying upon the expenditure of $15,000,000 we are only deluding ourselves as to our security.

I think perhaps one thing ought to be fairly well taken for granted, and that is that Canada should not be committed to war except with the consent of the people.

Mr. MERCIER (St. Henri): Then we will not need a navy.

Mr. WOODSWORTH: I do not think the people would consent, but I think the hon. member who has just interjected a re-

mark will agree with the principle that Canada should not be committed to war except with the consent of her people. This does not seem so very radical when we remember that Right Hon. Arthur Meighen, in that rather famous Hamilton speech of October 10, 1927, said:

> If ever the time should come when the spectre of 1914 should again appear I believe it would be best, not only that parliament should be called, but that the decision of the government which, of course, would have to be given promptly, should be submitted to the judgment of the people at a general election before troops should leave our shores.

That seems not an unreasonable suggestion; I think that is fairly sound. I know there would be dangers in anything like an election or a plebiscite, but there are dangers whatever way we look. By signing the Kellogg pact, we have renounced war as an instrument of national policy. Am I right in interpreting that to mean that no Canadians should be forced to leave Canada's shores? Possibly most of us would like to take that position, yet a merely negative policy will get us nowhere. I am urging that if we are serious about this matter we must either throw ourselves much more definitely into individual national defence, which I think is hopeless, or else we must more definitely strive to develop the collective system of security. In civil life we have set up our courts and our boards of arbitration. Cannot we do more of that sort of thing in international affairs?

I admit that this problem is very complicated. It is a problem of the ages. People keep asserting that we always have had war and we always will have war. Ah, the wars of the past were comparatively small, local wars—until the last great world war, but I think it is recognized by everyone that any future war must be on a very extensive front and that it will be far more devastating than anything we have known in the past, even the world war. It would seem as though we, as rational beings, should at least attempt some action that would prevent further disaster. Only to-day I received a letter from a French mother in the province of Quebec begging me as an individual to do something to save her children from ever being dragged into another war. She had been reading the papers for the last two or three days, and she asked that something should be done. Surely these appeals by our Canadian people, the fathers and mothers across this country, cannot go unregarded.

I want to emphasize this point, even if I have to repeat it again and again. I do not think that by passing defence estimates, by maintaining the military, naval and air strength that we have to-day, we are doing anything effective to defend this country. I am one of those "impossible idealists," if you like to use that phrase, who believe that by this physical force upon which we have depended in the past we can no longer be sure of defending our people or this country. The world war proved convincingly that war is futile. The other day someone on the other side of the house, I think it was the Minister of Railways, was rather inclined to imply that I was not sympathetic enough to the returned men who fought in the last war.

Mr. MANION: I did not make any statement of that kind.

Mr. WOODSWORTH: I am glad to think the minister did not make that statement, and I quite readily accept his word. I want to state that some of us do admire the heroism of the men who fought in the last war. I have met a great many hundreds, yes thousands of them, and I believe the returned men are among the foremost in stating that they do not want to go to another war. They do not believe that through war we shall obtain permanent peace. Can we not work out the implications of statements of that kind? I have ventured to delay the passage of these estimates for this length of time—Perhaps I should not admit I am delaying their passage—because I believe this matter is of tremendous importance. It seems to me there ought to be a more complete discussion of the whole situation. Perhaps it would be more fitting if such discussion came under the Department of External Affairs, but we cannot separate the two. The Department of External Affairs might be expected to determine our policy, but we must remember that under this vote we have the army through which we would execute a policy that involved military action. For that reason the two departments cannot be separated.

My purpose in opening the discussion has been to call attention to the inadequacy of our present defence, the inadequacy of any military defence under the existing world conditions, and the absolute necessity of taking more seriously our obligations under the league. We must come to realize that it is not sufficient merely to be a member of the league. If we are to have security we must pursue the long and arduous task of gradually developing a certain peace technique; we must work out constructive policies which may involve the scrapping of many of our old narrow nationalistic and militaristic ideas.

These may have to go, but the future of our country and of our children is at stake. I urge that we do not delude ourselves into thinking that we are safe because we pass an estimate for $15,000,000.

Mr. CAMPBELL: Mr. Chairman, I have listened with a good deal of interest to the observations of the hon. member for Winnipeg North Centre (Mr. Woodsworth), and I listened, too, to his discourse only a few days ago regarding what we should do towards establishing peace not only in Canada but in the rest of the world. To-day he has indicated what we should do to protect ourselves. I do not think any hon. member would expect a vote of money sufficient to protect our great mileage of coast line and the mileage of international boundary between this country and the United States. As the youngest member in His Majesty's loyal opposition in this House of Commons I believe I am speaking for the younger generation in Canada when I say that if Canada is called upon to defend herself she can depend upon the boys and girls of this country to do their utmost in her protection. I do not make that statement boastfully, but rather to express the view that we would in her actual defence be only too proud to emulate the splendid qualities of the young men of 1914-15.

To-night I do not wish to say anything further regarding war and the view taken by the alarmists of the present situation. I sincerely trust that the situation is not nearly so serious as it appears to-day. I have risen to ask a question of the minister regarding one of the most serious wars with which we are now confronted, namely the war against hunger and starvation, a condition with which many people in the Dominion of Canada are faced. Some few nights ago the hon. member for South Perth (Mr. Sanderson) asked the minister to place on Hansard the number of relief camps, by provinces, and the number of men employed in each. Would the minister give that information to the committee?

Mr. STIRLING: I laid that statement on the table the following day.

Mr. CAMPBELL: I was not aware of that, and must thank the minister.

Mr. MITCHELL: I have listened attentively to the speeches which have been made concerning war. Having served in the last war I believe I may speak with some practical experience. Upon many occasions I have observed that the next war in Europe, so far as we are concerned, must be cash on delivery. Notwithstanding that fact, however, I believe we must come to earth and view the matter from a realistic standpoint. I am a staunch supporter of the League of Nations; I believe in its development and, if necessary, in the maintenance of an international police force. As Canadians however we must get down to earth and find out where we fit into the world structure. If we may judge from the amount of the expenditure now involved the world has not much to fear from this dominion so far as the development of a warlike spirit is concerned. Our fortunate geographic position places us in a position where we are not called upon to make enormous expenditures for armaments. If we were situated as are New Zealand or Australia, in the cockpit of the next war in the Pacific, quite possibly we would have to take an entirely different attitude in matters of defence. Whether we like it or not Canadians must make up their minds where they fit in, so far as the Pacific question is concerned. We must decide whether we will go along with the Anglo-Saxons and maintain those ideals for which we stand, or whether in the event of war in the Pacific we would remain neutral.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has indicated that we cannot wish ourselves out of the situation. We will have to take a realistic viewpoint, as the Australians have done. The population of Japan, that small island in the Pacific is growing very rapidly, and that country feels it needs an outlet for its surplus population. Should they take it into their heads to cross the Pacific and attempt to settle some of their surplus population in Canada, I should like to feel that we would be secure. I believe the next war may begin something like smallpox; you do not know where it is coming from or when it is going to strike. I should not like it to be said that I am advocating the development of our war services, but I should like to have careful consideration of our position not so much in relation to Europe as in relation to the Pacific. No one has supported more strongly than I have the devolpment of the League of Nations as a practical and driving force towards the maintenance of world peace. We must remember however that we cannot divorce ourselves from what is going on around us. As the nation with the fifth greatest trade in the world I believe Canada is most fortunate to be more or less sitting in the laps of Great Britain and the country to the south of us. Our defences are not at all in conformity with the position we occupy

in world trade. Our good fortune lies in the fact first, that we are fortunate in our geographical situation, and second, that we form part of the commonwealth of the British empire.

At the moment the people of Australia are recognizing the gravity of their situation, and I believe we must consider carefully our position. I believe any hon. member who passed through the last war, as I did, would not wish another one, and in that stand I believe they would be supported by the Canadian people. However we must be practical about the matter and take into consideration the attitude of the predominant world forces towards the defence of those institutions which have been developed after much sacrifice.

Miss MACPHAIL: It is now clear that the treaty of Versailles was an iniquitous treaty. and that war would inevitably result from it unless it were modified. The treaty was based on vengeance. It sought to put the whole blame on one nation though it is now historically admitted that one nation was not wholly to blame. The allies tried to make Germany pay an impossible sum by way of reparations, and then would not receive payment in goods. As the hon. member for Winnipeg North Centre (Mr. Woodsworth) has pointed out, they made very definite promises to Germany but did not keep them. That is to say, we the allies smashed the treaty of Versailles all to pieces to suit our purpose, and we cannot very well now suddenly work up a lot of righteous indignation and say that nations which we regarded formerly as our enemies are now showing signs of becoming once more militant. We indeed have sown the wind and almost surely we shall reap the whirlwind. I think the great and ever-increasing cause of war is the bitter competition or struggle for ever diminishing markets. We want to dispose of the weight of goods which each nation is seeking to sell in what are called the markets of the world, though no one knows what that means or where those markets are, and notwithstanding the fact that the people in each country would like to enjoy the goods which they are making such strenuous efforts to sell abroad. In my opinion we have, in the great mass of the unemployed in this country and elsewhere—here it is comparatively small seeing that our population is small—a tinder box. The unemployed have little hope in life, no hope of adventure, no hope of being able to move, no hope of having a variety of food, clothing and entertainment, so that war might seem an interesting thing to them. After all there would be food, clothing and shelter, and some certainty of death at the end. That I know is a terrible statement to make, but I believe there is a good deal of truth in it. Unless the economic problem is solved in each nation or by all the nations cooperating—and in my opinion it will be solved largely by each nation individually—so that the goods which we have in such abundance can be made available to the people of the country, allowing for international trading in those commodities which one nation needs and another wants, then I say that war is inevitable. There are two methods of distributing goods, one is to change the economic system within the country itself, and in my opinion this involves far-reaching monetary changes. The other method is provided by war. If war were declared to-morrow, within forty-eight hours we should be doing the very things which we now say we cannot do; we know very well that the moment war was declared we could move all the goods and services required and we should be able to finanace the moving of those goods and services. To put it in other words, we should then discover that real wealth is the basis of wealth tokens or money. I am apprehensive. I wish I could be as lighthearted about the whole matter as the hon. member for Frontenac-Addington (Mr. Campbell) who seems to think that anyone is an alarmist who talks about war. I do not think he is reading the signs of the times very well if he comes to that conclusion, because the signs are ominous, the real remedy for war lies deep; it lies in justice, economic justice within the nations and between the nations. I believe we could do a lot within our own nation. I agree with someone who said that Canada has not taken her work in the League of Nations very seriously. Once I had the privilege of attending a meeting of the League of Nations and I heard an address by the Great German, Stressmann, I had to wait for the translation before I could know the words he used, but though I did not know the language he was speaking the power of that speech and the spirit of it reached me. It reached me though spoken in a different tongue. He pleaded with the world and with Germany to avoid the very condition that has developed since. He saw it coming clearly and tried to persuade the world to avoid it, but it seems very difficult for us to avoid the things that we ought to avoid.

I do believe in the collective system. I think that the League of Nations if given the moral support of all the nations could do great things. I believe in an international police force; that I think is necessary. It is the

only sort of army to have at all and it should be sufficiently strong, acting for all the nations, to bring the aggressor into conformity with the ideas of all.

May I give a quotation from a speech delivered by Field Marshal Sir William Robertson in London, England at a chamber of commerce banquet on November 8, 1927. In this speech he said:

> Again, we no longer agree, without qualifications, that the best way of preventing war is to prepare for it. Instead of preventing war, we know that preparations are apt to precipitate it.

And again:

> War has become, in short, a wholly detestable thing; is almost, if not quite, as disastrous to victor as to vanquished; and consequently many people condemn it as a failure, hate the very word war, and demand all-round measures of disarmament.

While the amount of money we are voting is not large compared to the military budgets of other nations, if the methods it provides for are not adequate in protecting us against the danger that threatens, then even the amount voted here, something approximating $15,000,000, could be spent to very much better purpose in the dominion at the present time.

Mr. REID: Has the minister the information regarding the name of the firm that supplied the tobacco to the relief camps?

Mr. STIRLING: I have not yet been able to ascertain the name of the firm that supplied the tobacco but I would call the attention of the committee to the result of the investigation I made with regard to the potatoes which the hon. gentleman kindly sent across the chamber—potatoes brought from one of the camps at White Rock. He made some statements with regard to the contract under which these potatoes were supplied. I obtained a copy of the contract and ascertained that tenders were called for from thirteen different firms and people of whom four were individual farmers, and of the rest one was a farmers' exchange and one the Pacific Coast Growers' Cooperative Association. The contract was let to the lowest tenderer, which was F. R. Stewart and Company, and the price for the potatoes was $25 per ton. My hon. friend gave second hand information that F. R. Stewart and Company paid certain farmers of his acquaintance sums ranging from $3.75 to $5 per ton. I am quite ready to believe the hon. member's statement but I think the committee will agree that it is quite impossible to find out what successful contractors paid to the farmers from whom they bought potatoes. A letter was written at that time by the Pacific Coast Growers' Cooperation Association and I should like to quote one paragraph which touches upon the difficulty of continuity of supply. It reads:

> The growers of this association wish me to convey their thanks and appreciation for being given this opportunity of tendering on relief camp contracts as well as for past business.
>
> We regret however that these contracts call for six month period which means this organization being only in its infancy and not having all facilities intact for handling long term contracts, we feel in justice to the government and all concerned it would be much better for us to cooperate with some wholesale house. If this should be a cold winter vegetables will have to be placed in storage in order to take care of your out of town camps, and if we tendered and our contract was accepted it would mean you would have to pay increased prices to take care of storage.

I suggest that if this association takes this view, there is really little likelihood that individual farmers would be in a position to tender direct.

In connection with tobacco furnished in the camps, the hon. member will recall that in giving the component parts of the $1.30 cost per man per day, it was stated that one and one-third ounces of tobacco was issued each week to the men. It was found that when a certain kind of tobacco was furnished to the camp the men would ask for other kinds and the consequence was that instead of the actual tobacco being issued each week, so many cents were given to the men so that they would have the opportunity of obtaining the kind of tobacco to which they were accustomed.

Mr. REID: I am glad the minister has made this statement, because I was very careful to have my figures correct. The minister stated $25 per ton was paid and the superintendent of the camp told me the the price was $24. I think it would be very easy to ascertain that the wholesale price for potatoes in the Fraser valley was $5 per ton. This was for No. 1 grade and in many cases it was impossible to make a sale. In connection with the continuity of supply, I pointed out to the Minister of Labour (Mr. Gordon) that the former government of British Columbia purchased from the individual farmers when they were looking after these camps. The cost per meal has increased a few cents under the dominion government as compared with the cost per meal under the provincial government which purchased supplies from different farmers. Investigations at that time proved that there was no difficulty in obtaining supplies in that district.

In connection with tobacco, I inadvertently gave the wrong company. The company referred to should have been the Macdonald company and not the Imperial. The contract was originally for forty cents and was gradually increased to seventy cents per pound.

Mr. HANSON (Skeena): I have listened with great interest to the speeches of the hon. members for Winnipeg North Centre (Mr. Woodsworth), East Hamilton (Mr. Mitchell) and Southeast Grey (Miss Macphail). I should like to ask the minister if consideration has been given to the request that a suitable patrol station be located on the Pacific coast in case of attack from the orient. I know this request has been made by different chambers of commerce and associated boards of trade pointing out the strategic positions of the different localities.

Mr. STIRLING: A request of this nature has been received from Prince Rupert. Consideration has been given to the matter but so far it has not been decided to divide the stations on the Pacific coast. I do not mean to say that it may not be done in the future.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 20, 1935

The house met at three o'clock.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 33, for the relief of Ray Leitman Aronoff.—Mr. Garland (Carleton).

GOLD EXPORT ACT AMENDMENT

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 42, to amend the Gold Export Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

ROYAL CANADIAN MOUNTED POLICE—MARITIME PROVINCES

Mr. MICHAUD:

1. What was the total cost for medical attention for the Royal Canadian Mounted Police force, in each of the three maritime provinces, during each of the years 1932, 1933 and 1934?

2. What are the names and addresses of the medical attendants for the three maritime provinces, and the amount paid each, for each of the years 1932, 1933 and 1934?

Mr. GUTHRIE:

1. Prince Edward Island—

1932	$ 55 45	
1933	500 28	
1934	1,001 30	
		$1,557 03
Nova Scotia—		
1932	$ 2,687 80	
1933	5,579 13	
1934	2,291 60	
		$10,558 53
New Brunswick—		
1932	$ 924 90	
1933	3,550 20	
1934	3,446 16	
		$7,921 26
Total		$20,036 82

2. Prince Edward Island—

	1932	1933	1934	Total
Dr. E. W. Tidmarsh, Charlottetown	$ 8 00	....	....	$ 8 00
Dr. W. J. McMillan, Charlottetown	45 00	$122 00	$564 00	731 00
Dr. E. A. Bell, Borden	....	2 00	....	2 00
Dr. Tanton, Summerside	....	10 00	....	10 00
Dr. Simpson, Summerside	....	10 00	....	10 00
Dr. L. B. McKenna, Charlottetown	....	31 00	141 00	172 00
Dr. A. H. Smallwood, Souris	....	33 00	14 00	47 00
Dr. A. W. Ross, Souris	....	11 00	....	11 00
Dr. P. H. Kennedy, Alberton	....	3 50	....	3 50
Dr. H. E. Clark, Summerside	....	....	13 00	13 00
Dr. J. A. MacPhee, Summerside	....	....	11 00	11 00
Dr. T. B. Acker, Halifax	....	....	5 00	5 00
Dr. W. B. Howatt, Summerside	....	118 00	....	118 00
Drs. Hebb and Glennister, Dartmouth	11 00	....	53 00	64 00
Dr. A. McD. Morton, Halifax	765 00	....	....	765 00
Dr. C. S. Cavanagh, Neil's Harb	3 00	....	....	3 00

Nova Scotia—

Name—Address	1932	1933	1934	Total
Dr. C. S. Cavanagh, Dingwall	....	....	25 00	25 00
Dr. K. A. MacKenzie, Halifax	40 00	10 00	....	50 00
Dr. L. J. LaBlanc, Chéticamp	3 00	....	....	3 00
Dr. C. K. Fuller, Yarmouth	75 00	....	....	75 00
Dr. J. R. McCleave, Digby	27 00	2 00	67 50	96 50
Dr. C. O. Walsh, Sydney	5 00	....	....	5 00
Dr. D. S. McCurdy, Truro	24 00	83 00	....	107 00
Dr. T. E. Belleveau, Meteghan	5 00	9 50	....	14 50
Dr. L. F. Dorion, Little Brook	6 00	....	....	6 00
Dr. D. A. Macleod, Sydney	55 00	....	....	55 00
Dr. J. S. Wickwire, Liverpool	5 00	....	....	5 00
Dr. S. W. Williamson, Yarmouth	5 00	....	....	5 00
Dr. F. R. Davis, Bridgewater	72 00	47 00	....	119 00
Dr. C. W. Stramberg, Trenton	16 00	....	....	16 00
Dr. John Bell, New Glasgow	9 00	25 00	....	34 00
Drs. Creighton & Hewat, Lunenburg	56 20	....	....	56 20
Dr. J. S. Brean, Mulgrave	140 40	....	....	140 40
Dr. J. B. Reid, Truro	12 00	....	....	12 00
Dr. D. W. Archibald, Sydney Mines	5 00	....	....	5 00
Dr. M. J. Macauley, Sydney	28 00	161 00	....	189 00
Dr. A. R. Reid, Windsor	6 00	34 50	....	40 50
Dr. J. A. Langille, Pugwash	33 00	....	....	33 00
Dr. L. P. Churchill, Shelburne	2 00	36 00	....	38 00
Dr. J. S. Murray, River John	10 50	38 50	....	48 55
Dr. D. A. Campbell, Bridgewater	15 00	....	....	15 00
Dr. D. F. MacDonald, Yarmouth	113 45	164 00	29 25	306 70
Dr. E. B. Hall, Bridgetown	29 00	19 00	....	48 00
Dr. H. K. MacDonald, Halifax	5 00	....	....	5 00
Dr. P. A. MacDonald, Halifax	5 00	50 00	130 00	185 00
Dr. D. R. MacRae, Sydney Mines	5 00	19 25	....	24 25
Dr. T. R. Ford, Liverpool	22 00	5 50	....	27 50
Dr. H. V. Kent, Truro	14 00	28 00	....	42 00
Dr. J. F. McCauley, Sydney	8 00	....	....	8 00
Dr. John Rankin, Halifax	....	9 00	....	9 00
Dr. Digout, St. Peters	....	18 25	....	18 25
Dr. L. R. Meech, North Sydney	....	41 50	....	41 50
Dr. W. V. Goodwin, Pugwash	....	20 25	....	20 25
Dr. M. R. Young, Pictou	....	40 00	....	40 00
Dr. W. T. McKeough, Sydney Mines	....	100 00	....	100 00
Dr. J. H. McDonald, Sherbrooke	....	8 00	....	8 00
Drs. Mathers & Doull, Halifax	....	....	....	....
Dr. A. E. MacIntosh, Amherst	....	11 00	....	11 00
Dr. G. W. T. Farish, Yarmouth	....	35 00	....	35 00
Dr. Russell C. Zinck, Lunenburg	....	47 65	....	47 65
Dr. R. C. Zinck, Lunenburg	....	26 15	....	26 15
Dr. W. N. Rehfuss, Bridgewater	....	225 50	34 50	260 00
Dr. T. A. Kirkpatrick, Kentville	....	4 00	....	4 00
Dr. A. A. Shaffner, Halifax	....	5 00	....	5 00
Dr. A. M. Wilson, Barrington	....	11 00	....	11 00
Dr. L. O. Fuller, Shelburne	....	2 00	....	2 00
Dr. W. P. Mackasie, Halifax	....	10 00	....	10 00
Dr. J. J. Carroll, Antigonish	....	83 00	....	83 00
Dr. J. N. McDonald, Sherbrooke	....	16 00	....	16 00
Dr. J. P. McKenna, Antigonish	....	4 85	....	4 85
Dr. J. W. Merritt, Halifax	....	35 00	....	35 00
Dr. W. W. Patton, Point Morien	....	7 50	....	7 50
Dr. J. S. Munro, North Sydney	....	48 00	....	48 00
Dr. D. MacMillan, Sheet Harbour	....	30 00	30 00	60 00
Dr. A. F. McGregor, New Glasgow	....	18 00	....	18 00
Dr. W. F. Robbins, New Glasgow	....	18 00	....	18 00
Dr. R. M. Benvie, Stellarton	....	128 00	....	128 00
Dr. E. S. Mackenzie, New Glasgow	....	10 15	....	10 15
Dr. T. T. Monaghan, Sherbrooke	....	6 00	....	6 00
Dr. J. N. Smith, Guysborough	....	15 25	....	15 25
Dr. J. W. Sutherland, Amherst	....	2 00	....	2 00
Dr. T. J. Wallace, Halifax	....	....	....	....
Dr. N. MacDonald, Sydney Mines	....	21 00	....	21 00
Dr. C. H. Morris, Windsor	....	2 00	....	2 00
Dr. J. W. T. Patton, Truro	....	5 00	....	5 00
Dr. G. A. Dunn, Pictou	....	3 00	....	3 00
Dr. H. O. Homans, Hubbards	....	21 50	36 00	57 50
Dr. S. T. Florian, North Ingonish	....	17 00	....	17 00
Dr. J. R. McLeod, Point Hawkesbury	....	2 00	....	2 00

Questions

Name—Address	1932	1933	1934	Total
Dr. A. J. McNeil, Mabou	....	5 00	....	5 00
Dr. James Proudfoot, Inverness	....	7 50	....	7 50
Dr. J. J. MacKay, New Glasgow	....	11 00	....	11 00
Dr. H. F. Sutherland, Guysborough	....	16 00	31 00	47 00
Dr. T. M. Sieniewicz, Halifax	....	25 00	....	25 00
Dr. T. A. Tupper, Lunenburg	....	6 00	....	6 00
Dr. J. A. Bergeron, Matane, Que	....	5 00	....	5 00
Dr. Léon Pelletier, Gaspé, Que	....	3 50	....	3 50
Dr. Gerald C. W. Bliss, Amherst	....	2 00	....	2 00
Dr. J. S. Munro, North Sydney	....	59 50	81 50	141 00
Dr. D. F. MacDonald, Yarmouth	....	34 75	....	34 75
Dr. Charles Fuller, Yarmouth	....	55 00	....	55 00
Dr. P. A. MacDonald, Halifax	....	110 00	....	110 00
Dr. T. R. Ford, Liverpool	....	26 50	....	26 50
Dr. H. M. Eaton, Halifax	....	48 25	....	48 25
Dr. R. M. Benvie, Stellarton	....	....	....	....
Dr. H. K. MacDonald, Halifax	....	100 00	....	100 00
Dr. W. Q. Dickie, Digby	....	106 50	....	106 50
Dr. F. R. Davis, Bridgewater	....	29 00	....	29 00
Dr. J. R. McCleave, Digby	....	55 00	....	55 00
Dr. B. Miller, New Waterford	....	39 99	....	39 00
Dr. F. J. McLeod, Inverness	....	....	189 00	189 00
Dr. G. R. Forbes, Kentville	....	....	44 00	44 00
Dr. W. G. Dawson, Halifax	....	....	72 00	72 00
Dr. D. A. Haverstock, Halifax	....	....	45 00	45 00
Dr. S. K. Oldfield, Halifax	....	....	72 50	72 50
Dr. A. W. Faulkner, Halifax	....	....	48 50	48 50
Dr. A. Robichaud, Tracadie	....	....	39 50	39 50
Dr. S. W. Spicer, Kentville	....	....	39 00	39 00

Pathological Examinations

Name—Address	1932	1933	1934	Total
Dr. R. P. Smith, Halifax	40 00	....	....	40 00
New Brunswick—				
Dr. E. H. Freeman, Chatham	15 00	....	....	15 00
Dr. E. F. Woolverton, Woodstock	29 00	169 00	11 00	209 00
Dr. A. R. Landry, Moncton	159 00	372 00	110 50	641 50
Dr. G. A. Mowatt, Campbellton	15 00	60 30	75 30	150 60
Dr. J. R. Lockhart, Edmundston	24 00	3 00	....	27 00
Dr. A. F. Vanwart, Fredericton	118 00	335 00	87 00	540 00
Dr. A. L. Gerow, Fredericton	6 00	86 00	27 00	119 00
Dr. W. H. Coffyn, Bathurst	12 85	24 00	29 35	66 20
Dr. G. C. Legere, Buctouche	37 00	50 00	8 00	95 00
Dr. J. A. Guy, Shippegan	6 00	....	....	6 00
Dr. D. B. McKenzie, Chatham	7 65	....	....	7 65
Dr. L. H. Price, Moncton	32 00	47 00	....	79 00
Dr. E. O. Thomas, St. Stephen	12 00	13 00	12 00	37 00
Dr. R. L. Ellis, Jacquet River	2 00	....	....	2 00
Dr. D. C. Malcolm, Saint John	26 00	160 00	120 00	306 00
Dr. R. G. Girvan, Moncton	25 00	....	....	25 00
Dr. J. E. Garnwath, Riverside	....	10 00	11 00	21 00
Dr. H. M. Gardiner, Minto	....	13 00	2 00	15 00
Dr. P. M. Clarke, St. Stephen	....	5 00	4 00	9 00
Dr. C. A. Clouthier, St. Leonards	....	24 00	3 00	27 00
Dr. B. F. Johnson, Saint John	....	24 00	....	24 00
Dr. G. C. Vanwart, Fredericton	....	62 00	84 00	146 00
Dr. A. B. McKenzie, Loggieville	....	100 00	....	100 00
Dr. F. J. Cheesman, St. George	....	59 45	15 35	74 80
Dr. M. E. Cummins, Bath	....	31 00	28 00	59 00
Dr. R. D. MacNeill, Port Elgin	....	2 00	....	2 00
Dr. J. F. Macaulay, Grand Manan	....	39 60	70 00	109 60
Dr. E. Chiasson, Dalhousie	....	12 00	....	12 00
Dr. G. B. Peat, Saint John	....	4 00	....	4 00
Dr. R. Boulay, Kedgewick	....	4 00	8 75	12 75
Dr. C. J. Veniot, Bathurst	....	1 00	....	1 00
Dr. H. J. Taylor, St. George	....	3 00	....	3 00
Dr. J. A. Leblanc, Shippegan	....	19 50	....	19 50
Dr. F. R. Connell, Saint John	....	3 00	....	3 00
Dr. F. E. Burden, Moncton	....	12 00	....	12 00
Dr. H. R. Dean, Sussex	....	12 50	....	12 50
Dr. T. E. Kennedy, Sussex	....	54 00	38 00	92 00
Dr. L. E. Rodidoux, Shediac	....	23 00	....	23 00
Dr. J. A. M. Bell, Newcastle	....	10 00	68 00	78 00
Dr. F. C. Simns, Edmundston	....	10 00	....	10 00

New Brunswick—*Concluded*

Name—Address	1932	1933	1934	Total
Dr. W. E. Gray, Milltown	....	10 00	....	10 00
Dr. D. M. McFarlane, Sackville	....	18 00	4 00	22 00
Dr. J. B. Hamilton, Doaktown	....	2 00	2 00	4 00
Dr. B. A. Puddington, Grand Falls	....	24 00	12 00	36 00
Dr. F. W. Macartney, Gaspé	....	10 75	25 50	36 25
Dr. F. W. Macartney, Gaspé	....	24 00	....	24 00
Dr. J. J. MacPherson, Campbellton	....	17 50	19 50	37 00
Dr. F. T. Dunlop, Saint John	....	14 00	....	14 00
Dr. A. B. Ginsherman, Peninsula	....	2 00	....	2 00
Dr. W. S. Fitspatrick, Moncton	....	2 00	....	2 00
Dr. A. P. Crocket, Fredericton	....	5 00	....	5 00
Dr. R. McDonald, Shediac	....	9 50	15 00	24 50
Dr. J. E. Hache, Caraquet	....	16 00	27 50	43 50
Dr. R. G. Girvan, Mancton	....	10 00	....	10 00
Dr. F. Bernier, Carleton	....	10 00	6 00	16 00
Dr. L. M. Gray, Campbellton	....	5 00	47 00	52 00
Dr. L. Pelletier, Gaspé	....	29 00	56 25	85 25
Dr. F. Dumont, Campbellton	....	7 00	5 75	12 75
Dr. R. M. McLean, McAdam	....	9 00	....	9 00
Dr. R. J. Caldwell, Moncton	....	8 00	40 00	48 00
Dr. A. Leatherbarrow, Hampton	....	39 00	14 00	53 00
Dr. Théo Allard, Inkerman	....	....	3 75	3 75
Dr. E. Allard, Chandler	....	....	2 00	2 00
Dr. E. H. Baird, Chipman	....	....	6 00	6 00
Dr. A. A. Baird, Saint John	....	....	12 00	12 00
Dr. L. S. Doyle, Moncton	....	....	13 00	13 00
Dr. V. D. Davidson, Saint John	....	....	15 00	15 00
Dr. J. H. Digout, St. Peters, N.S.	....	....	3 00	3 00
Dr. T. Godin, Campbellton	....	....	16 00	16 00
Dr. L. A. Goodridge, Moncton	....	....	7 00	7 00
Dr. J. J. MacPherson, Campbellton	....	....	22 75	22 75
Dr. C. MacKay, Fredericton	....	....	5 00	5 00
Dr. A. M. Sormany, Edmundston	....	....	16 00	16 00
Dr. A. Sormany, Shediac	....	....	6 00	6 00
Dr. D. G. Corbett, Saint John	....	....	14 00	14 00
Dr. R. R. Cyr, Fort Kent	....	....	8 50	8 50
Dr. J. M. Magee, Saint John	....	....	65 70	65 70
Dr. H. S. Wright, Fredericton	....	....	22 00	22 00
Dr. A. F. Vanwart, Fredericton	....	....	210 00	218 00
Dr. J. M. Magee, Saint John	....	....	64 50	64 50
Dr. W. H. Coffyn, Bathurst	....	125 00	....	125 00
Dr. D. R. MacDonald, Shediac	....	30 00	....	30 00
Dr. E. F. Woolverton, Woodstock	....	84 50	....	84 50
Dr. A. R. Landry, Moncton	....	100 00	....	100 00
Dr. G. C. Vanwart, Fredericton	....	68 00	79 00	147 00
Dr. V. P. Boucet, Moncton	....	25 00	....	25 00
Dr. A. F. Vanwart, Fredericton	....	....	437 50	437 50
Dr. A. R. Landry, Moncton	....	....	137 00	137 00
Dr. A. L. Gerow, Fredericton	....	....	98 00	98 00
Dr. J. E. Hache, Caraquet	....	....	30 00	30 00
Dr. J. J. MacPherson, Campbellton	....	....	30 00	30 00

Note: The medical attention given at Gaspé, P.Q., St. Peters, N.S., etc., was for men stationed in New Brunswick who were temporarily on duty at those points.

BANK OF CANADA—ASSETS

Mr. MACKENZIE (Vancouver):

1. What were the total assets of the Bank of Canada when it opened for business?

2. What were the various amounts of such assets under headings of: (1) dominion gold; (2) bank gold; (3) securities; (4) Canadian government account; (5) assets of any other nature?

Mr. RHODES:

1 and 2. In so far as the government is in a position to give the information, the answer to the questions will be found in the statement of assets and liabilities of the Bank of Canada published in the Canada Gazette on the 16th of March, supplemented by the following:

The amount of gold held as security for dominion notes in circulation, transferred to the bank was $69,455,439.44, valued at $20.67 a fine ounce.

BANK OF CANADA—GOLD FROM CHARTERED BANKS

Mr. MACKENZIE (Vancouver):

1. When did the Bank of Canada open for business?

2. How much gold was taken over from the chartered banks of Canada?

3. At what valuation?

4. How much gold was left with the chartered banks?

5. Can the chartered banks dispose of such gold at present market values?

6. Who decided how much of the bank gold should be left with the chartered banks?

7. Was an order in council passed with reference to this?

8. On what basis was the amount fixed?

9. What was the number, if any, of such order in council?

Mr. RHODES:

1. On March 11, 1935.

2 to 9. Section 28 of the Bank of Canada Act requires that every chartered bank shall transfer to the Bank of Canada all gold coin and bullion owned and held by it in Canada. The transfer is made at the present standard value fixed by the Currency Act. The Bank of Canada Act provides that any profit resulting from the sale of gold transferred to the bank, or resulting from any change in the monetary standard, shall be paid into the consolidated revenue fund. It is provided, however, that if the governor in council is satisfied that the gold at the time of transfer was held against liabilities elsewhere in Canada, the profit shall belong to the chartered bank. The governor in council has not yet taken action under this provision.

BANK OF CANADA—NOTES ISSUED

Mr. MACKENZIE (Vancouver):

1. To what total amount have notes been issued by the Bank of Canada?

2. In what denominations have such notes been issued?

Mr. RHODES:

1. According to the statement of assets and liabilities of the Bank of Canada, as at March 13, 1935—$97,805,664.94.

2. $1, $2, $5, $10, $20, $50, $100, $500 and $1,000.

BANK OF CANADA—SOLICITORS

Mr. MACKENZIE (Vancouver):

1. Has the Bank of Canada appointed any particular firm as solicitors or legal advisers for the bank?

2 If so, which firm?

3. What are the terms and conditions in regard to salary, etc., on which such firm has been engaged?

Mr. RHODES:

1, 2 and 3. The Government has no information.

MAIL SERVICE—L'IMMACULÉE CONCEPTION—ST. ALEXIS, QUE.

Mr. MARCIL:

1. Were tenders called for on January 4th last by the Post Office Department for the mail service between L'Immaculée Conception, St. Alexis de Matapédia, and St. Alexis station?

2. If so, were any tenders received, from whom, and at what figure?

3. Has any contract been awarded?

4. If not, what is the cause of the delay?

Mr. SAUVE:

1. Yes.

2. Yes.

3. No.

4. Matter is still under consideration.

(Translation)

ADVERTISING BY RADIO ON SUNDAYS

Mr. MARCIL:

1. Has the government received a request from the Federation of Catholic Workmen of Canada asking that advertising by radio be prohibited on Sundays in Canada?

2. If so, has any action been taken to give effect to this request?

Mr. DURANLEAU:

1. Yes.

2. The matter was immediately referred to the Canadian Radio Broadcasting Commission.

FARM MORTGAGE INDEBTEDNESS

Mr. LAURIN:

What was the farmers' mortgage debt from 1911 to 1921, and in 1931?

Mr. HANSON (York-Sunbury):

Figures showing farmers' mortgage debt from 1911 to 1921 not available.

The total farm mortgage indebtedness in Canada as of June 1, 1931, was estimated at $726,026,500.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HIGH COMMISSIONER—LONDON

Mr. POULIOT:

1. What is the total amount paid to the Hon. G. Howard Ferguson, high commissioner in London, from the date of his appointment until now?

2. During that period, did he spend anything for entertainments?

3. If so, what is the total of that expenditure?

4. What was the total cost of the high commissioner's office in London from August 1, 1930, until now?

Mr. CAHAN: Return tabled herewith.

CANADIAN MINISTER—WASHINGTON

Mr. POULIOT:

1. What was the total amount paid to the Hon. W. D. Herridge, His Majesty's Envoy Extraordinary and Canadian Minister Plenipotentiary at Washington, from June 1, 1931, until now?

2. During that period, did he spend anything for entertainments?

3. If so, what is the total of that expenditure?

4. What was the total cost of the Canadian legation in Washington from June 1, 1931, until now?

5. Since his appointment as minister plenipotentiary, did the said Hon. W. D. Herridge leave the Canadian legation at Washington?

6. If so, how many times and how long each time?

7. During the same period, did the said Hon. W. D. Herridge spend some time in Ottawa?

8. If so, how many times and how long each time?

Mr. CAHAN: Return tabled herewith.

NATIONAL DEBT

Mr. MACKENZIE (Vancouver):

What was the national debt of the dominion of Canada: (a) direct; (b) guaranteed, at the end of the fiscal years 1928, 1929, 1930, 1931, 1932, 1933, 1934, and at the present time?

BANK OF CANADA—PREMISES

Mr. MACKENZIE (Vancouver):

1. What premises are being used by the Bank of Canada: (a) at headquarters; (b) in the various provinces?

2. Are such premises federal property, or have they been rented?

3. If the latter, from whom, for what period, and on what terms in each case?

Mr. RHODES: I would like this question to stand as an order for return, but I want to make the observation that the return can only be responded to so far as the knowledge is in the possession of the government.

DEPARTMENT OF PENSIONS EMPLOYEES, MONTREAL

Mr. BOULANGER:

1. What is the number of employees of the Department of Pensions and National Health at Montreal?

2. What are their names?

3. At what date was each one appointed?

4. What are their respective salaries?

5. Was every one appointed by the civil service commission after competitive examination?

6. Are they bilingual?

7. What are the names of those who served during the last war?

[Mr. Cahan.]

RETURNS FROM TAXATION

Mr. POULIOT:

What were, from 1931 to date, the total returns of each of the following changes of the 1931 budget to taxation and tariff:

1. Sales tax increase to 4 per cent, from 1 per cent;

2. Postage, one cent more on all letters;

3. Half cent increase per pound postage on newspapers and periodicals;

4. Two cent tax stamp on all cheques irrespective of the amount;

5. Two per cent increase of income tax on corporations;

6. Special excise tax of one per cent imposed on all goods imported into Canada;

7. One per cent tax on the net premiums received by insurance companies in Canada;

8. Fifteen per cent tax on Canadian property owners who have insured their property with British or foreign companies which are not licensed in Canada;

9. Increased duties on a number of agricultural and fruit products including live hogs, fresh meats, bacon and hams, shell eggs, cheese, hops, hay, seeds, canned fruits, vegetables, and oranges;

10. Increased duties on automobiles priced at more than $1,200?

What were, from 1931 to date, the total returns of each of the following changes of the 1931 budget to taxation and tariff:

1. Increases on certain manufactured steel products:

2. Specific duty of 15 per cent per pound on magazines and periodicals;

3. Increased duty on wood products, including furniture, veneers, golf clubs, tennis racquets, etc.;

4. Increases on linen and pure silk fabrics, leather, watches and clocks, tea and other goods;

5. Imposition of excise duties upon the products of a manufacturer who used the customs tariff rates to increase prices to the consumer;

6. For the forfeiture of goods imported from a country not a signatory to the treaty of Versailles?

What were, from 1932 to date, the total returns of each of the following changes of the 1932 budget to taxation:

1. Sales tax increase from 4 per cent to 6 per cent;

2. Increase by 2 per cent of excise tax on all goods imported into Canada;

3. Reduction of personal income tax exemption for those with dependents, from $3,000 to $2,400 and those without dependents, from $1,500 to $1,200;

4. Discontinuation of 20 per cent reduction until then allowed from tax payable under established schedule of rates;

5. Five per cent surcharge on the amount of tax payable, imposed on all taxpayers, personal and corporate, with net incomes in excess of $5,000;

6. Increase of corporation rate to 11 per cent?

What were, from 1932 to date, the total returns of each of the following changes of the 1932 budget to taxation:

1. The tax of one per cent on premiums received by insurance companies;
2. The tax of 15 per cent on gross premiums;
3. The tax increase from 2 cents to 3 cents on cheques, money orders, and on promissory notes, bills of exchange, etc., on amounts up to $100 and 6 cents over $100;
4. The 5 cent tax placed on telegrams, cables and radio messages and long distance telephone calls;
5. The 10 per cent tax on railway sleeping car berths, with a minimum of 25 cents and 10 cents on chair car tickets?

(a) What were, from 1933 to 1934, the total returns of the special excise tax of 2 cents per pound on sugar?
(b) What were, from July 1, 1934, to date, the total returns of the special excise tax of one cent per pound on sugar?

What were, from 1933 to date, the total returns of each of the following changes of the 1933 budget to taxation:

1. A special excise tax of 10 per cent on cosmetics and toilet preparations;
2. Special excise tax of five per cent on automobile tires and tubes;
3. Special excise tax of 2 cents per 100 leaves of cigarette papers;
4. Special excise tax of 5 cents per 50 tubes of cigarette tubes;
5. Special excise tax of 25 cents per gallon of unfermented wort;
6. Special excise tax of 50 cents per pound on malt syrup or powder, extract of malt or other malt products for the brewing of beer?

What were, from 1933 to date, the total returns of each of the following changes of the 1933 budget to taxation:

1. (a) Increase to 12½ per cent on incomes of corporations; (b) removal of $2,000 exemption; (c) 13½ per cent tax on corporations filing consolidated returns;
2. Reduction of personal income tax exemption: (a) from $2,400 to $2,000; (b) from $1,200 to $1,000, and (c) in the case of dependent children, from $500 to $400;
3. The new schedule of rates of taxation on personal incomes, commencing at 3 per cent on the first $1,000 to taxable income?

What were, from 1933 to date, the total returns of each of the following changes of the 1933 budget to taxation:

1. Five per cent tax on non-residents;
2. Five per cent tax on interest or dividends cashed at a premium?

What were, from 1933 to date, the total returns of each of the following changes of the 1933 budget:

1. Removal of 3 cent stamp tax exemption on cheques of $5 or under;
2. Increase of tax on postal notes from one cent to three cents;
3. Increase to $2.50 per proof gallon of excise duty on distilled spirits used in the manufacture of proprietary medicine, extracts, essences, perfumed spirits and pharmaceutical preparations;
4. Excise duty of $1 per proof gallon on spirits used in the fortifying of native wines?

MOTIONS FOR PAPERS

BISHOPTON, QUE., RELIEF CAMP

Mr. LAFLECHE:

For a copy of all correspondence, letters, telegrams and other documents, in the possession of the Department of National Defence, regarding the relief camp for unemployed at Bishopton, Wolfe county, Quebec, since the opening of said camp to date.

Mr. LAFLECHE: Dropped.

Mr. SPEAKER: Dropped.

JOLIETTE, QUE.—PUBLIC WORKS CONSTRUCTION

Mr. FERLAND:

For a copy of all documents, contracts, tenders, correspondence, paylists, and accounts with respect to certain works done in the city of Joliette pursuant to the Public Works Construction Act, 1934.

BANK OF CANADA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Minister of Finance (Mr. Rhodes) if any applications for loans have been made to the Bank of Canada by any of the provinces and, if so, what provinces have made such applications?

Hon. E. N. RHODES (Minister of Finance): Obviously, Mr. Speaker, I would not be in a position to answer that question even if such applications had been made, but so far as I am aware there have been no applications.

PACIFIC COAST SHIPPING

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a complaint to the leader of the government. I introduced a resolution urging that consideration be given to the employment of white Canadian seamen on subsidized ships. That resolution was adopted by this house on January 28; it is now March 20, but so far no action has been taken in regard to it. I would urge upon the leader of the government that something be done to have this matter considered in committee and disposed of.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): May I ask to what page of Hansard my hon. friend refers?

Mr. REID: I do not know the page, but the motion passed the house on January 28.

PRINCE EDWARD ISLAND POTATOES

On the orders of the day:

Mr. A. E. MacLEAN (Prince): I should like to direct a question to the Minister of Railways (Mr. Manion). Owing to the fact that a large portion of the potato crop in the province of Prince Edward Island and the other maritime provinces has not been marketed as yet, requests have been made to the railway authorities for a special rate to enable this crop to be moved in the next two months. I should like to ask the minister if any representations have been made to him and if he would be good enough to use his influence with the railway board to endeavour to have this rate put into effect?

Hon. R. J. MANION (Minister of Railways and Canals): Of course as the hon. gentleman well knows the matter of railway rates is entirely in the hands of the railways and the board of railway commissioners. I shall gladly draw his remarks to the attention of the railways, at any rate, because they would be the first to deal with the matter. I believe I have had some letters in this connection from certain organizations, and that I have already drawn the matter to the attention of the railways. While I am on my feet I might point out to the hon. gentleman that the same request comes from all sections of the country in connection with commodities other than potatoes. Each section that has a surplus, or thinks it has, expects a special rate on that particular product, and I am continually receiving letters of this kind from various sections of the country. All I can do is forward them to the railways for whatever action they may see fit to take.

KINGSTON PENITENTIARY

ALLEGATIONS CONCERNING STATEMENTS ATTRIBUTED TO INSPECTOR DAWSON

On the orders of the day:

Miss AGNES MACPHAIL (Southeast Grey): Before the orders of the day are called I want to refer to a statement made yesterday by the Minister of Justice (Mr. Guthrie). On March 18 I made a statement in the house which is to be found at page 1786 of Hansard to the effect that Inspector Dawson interviewed convict No. 3033 in the lecture room of the administration building at Kingston penitentiary between 11.40 and 2.15 p.m., and that during the interview he used abusive and profane language in regard to myself and said that after he had finished his inspection I would not be able to lift up my head in the House of Commons again. The information was supplied to me by convict No. 3033, who has served his full time and is now at large, and who is prepared to swear to the statement in any inquiry.

I was not in the house when the Minister of Justice replied yesterday, though I was in the house just a few moments later. Of course I was not in at the correct time, and I am not in the least blaming the Minister of Justice for the fact that I was not here. He said in part:

While the return went up to April 8, 1934, on April 9 Inspector Dawson had an interview with prisoner 3033 in the penitentiary. I have made a pretty full inquiry in regard to this matter since yesterday, and I find that Inspector Dawson went to the penitentiary to make an inspection and report respecting a certain matter which had been referred to him. After he had concluded his inspection on April 8, an interview was requested by prisoner 3033 and it is during the course of that interview—

I want to refer particularly to the next sentence:

—I think it is alleged by the hon. member for Southeast Grey that certain aspersions were made against her character as stated by her yesterday.

I repeat what I said previously; I stated that Inspector Dawson used abusive and profane language in regard to myself. Honour lies within; my character is in my own keeping. I am not even concerned about what Inspector Dawson thinks of it, or anyone else for that matter. Then the Minister of Justice went on to say:

I can assure her that there is no foundation for the report. The inspector himself made no report on this interview.

That is interesting. I asked for three copies of the new penitentiary rules and regulations, which I have not received as yet though I understand the superintendent of penitentiaries wrote a memorandum in that regard last Saturday. Here was an interview that lasted for hours but no report has been made concerning it. I quote again:

When inspectors or superintendents visit a penitentiary, they have a large number of requests for interviews, but they do not make specific reports in regard to them.

However Inspector Dawson has assured me most definitely that during his interview with prisoner 3033 the name of the hon. member for Southeast Grey was never mentioned by him or by the prisoner, there was no comment whatever in regard to her, and I can assure her on the word of honour of the inspector that there is no foundation for the allegation which she has made.

May I say frankly that I do not accept the word of honour of Inspector Dawson, I shall tell hon. members why. For many years I have been interested in the reform of our penal institutions—

Some hon. MEMBERS: Order.

Miss MACPHAIL: Very well, I shall make those remarks later.

Mr. LAPOINTE: Why not continue, it is all right. Go ahead.

Miss MACPHAIL: —to the end that they would reform prisoners, since 73 per cent of our prison inmates return again to imprisonment. Particularly have I been interested in penal reform that the public might be protected against embittered men who have gained their release and constitute a grave menace to society. With that in mind I visited Kingston penitentiary. I had been making a speech at Queens university on Friday, February 15, and in the late forenoon of February 16, I visited Kingston penitentiary.

Mr. SPEAKER: I do not wish to interrupt the hon. member, and particularly when she is speaking on a matter of privilege. She will, of course, have the very widest ruling in the matter, but after all I should like to know what the question of privilege may be; it has not yet been raised. Would the hon. member kindly come to the question of privilege.

Miss MACPHAIL: It is difficult to state the question without showing why I do not accept the word of Inspector Dawson.

Mr. SPEAKER: After all, if that is the point upon which the hon. member has risen, I believe she should so state, and set it out without going into further detail. I am sure the hon. member, in view of the wide experience she has had in parliamentary matters, will realize that she is not entitled to make a speech on the matter at the present time. I am sure, moreover, that she has no desire to do so. Therefore I would ask her to be good enough kindly to state the question of privilege.

Miss MACPHAIL: I could not hear the last part of your observations, Mr. Speaker.

Mr. SPEAKER: I said that I would ask the hon. member to be good enough to state the question of privilege. The hon. member has not the right on an occasion such as this to set forth the reasons why she does not believe so and so. If she wishes to state she does not, well and good, but she should not give any further amplification. I must ask the hon. member kindly to state the question of privilege, and to confine her remarks to that.

Miss MACPHAIL: I should think that when the Minister of Justice states that no statement was made regarding me in abusive and profane language, and when I believe such a statement was made, on a matter of privilege I should be permitted to state why I hold that belief.

Some hon. MEMBERS: Order.

Miss MACPHAIL: Then, what is a question of privilege?

Mr. HANSON (York-Sunbury): There is none so far.

Mr. SPEAKER: As yet I do not know what the question of privilege is. After all, a question of privilege is a matter of some concern to all hon. members. So far as my rulings are concerned may I say that they will tend to allow the very widest possible explanation from any member rising to a question of privilege. However there must first be a question of privilege. The hon. member made certain statements in the chamber a few days ago; she must have had good reasons for doing so, and I believe she placed those reasons on Hansard. If she wishes to make any correction in her previous speech or in the remarks made yesterday by the Minister of Justice but in her absence, she is privileged so to do. Otherwise I suggest she should not deal with the matter in a general way.

Miss MACPHAIL: I do not intend to deal with it in a general way; but if a member of the civil service can go to a penal institution in this country and make statements regarding me which I am attempting to place on Hansard, and which as the minister explained yesterday, on the word of honour of Inspector Dawson were never made, then surely on a question of privilege I have a right to read into Hansard an affidavit by one who says these statements were made. Have I that right?

Mr. LAPOINTE: Surely.

Mr. SPEAKER: If that is what the hon. member is coming to, then I have no objection. I must say however that in her observations up to this time there was no indication of that. Further, it will be understood that the rule is being relaxed somewhat if we accept statements made by people outside the

house in regard to a matter of this kind. With all due deference to the hon. member for Southeast Grey may I say the matter is one which might very well be discussed on the vote for penitentiaries appearing in the estimates, or on some allied item. I believe the discussion would more properly come under that heading. However that is only a suggestion, and if the hon. member thinks she is still personally involved, and that either her character, her action in the house or what she has placed on record has come into question, I think any further explanation she might desire to make would be permissible.

Miss MACPHAIL: That is what I was attempting to do when Mr. Speaker prevented me. I do not want any special privileges in this chamber, nor do I ask for any special advantage so far as the interpretation of the rules regarding abuse are concerned. I simply want equality with other hon. members. On my visit to Kingston penitentiary on February 16, 1935 I, in the presence of Warden Allen saw convict 3242 at the request of his brother, who is a high official in one of the British colonies. His name is prefaced by the appellation of "Honourable" and the initials C.B.E.— or some such initials, are affixed. At his request I asked Warden Allen to allow me to talk in the presence of Warden Allen with convict 3242, whose case was so exhaustively discussed on the floor of the house last year.

An hon. MEMBER: She knows all the convicts.

An hon. MEMBER: Name.

Miss MACPHAIL: I will explain later. When convict 3242 was brought in by Warden Allen he asked me if I knew—

Mr. SPEAKER: The hon. member said she was going to read some statutory declaration. Again I respectfully submit she should not go into all these details with regard to conversations with one convict or another, or with some other party outside this chamber. If the affidavit bears upon the statement she made the other day I shall rule that it is quite in order.

Miss MACPHAIL: Very well; I shall leave further discussion until the estimates are considered and at the present time put on Hansard the affidavit to which I have referred, which was made to-day. This affidavit is made by ex-convict 3033. I must say the matter is not by any means dropped, and I am at a loss to understand what a question of privilege is.

[The Speaker.]

Some hon. MEMBERS: Order.

Miss MACPHAIL: This is the affidavit:

City of Ottawa,
County of Carleton,
Province of Ontario.

In the matter of a visit by Inspector J. D. Dawson to Kingston penitentiary on April 6, 7, 8, and 9, 1934.

I, Alfred George Hall, psychologist, of the city of Toronto, county of York, province of Ontario, make oath and say:

1. That between the 21st day of April, 1933, and the 27th day of February, 1935, I was convict No. 3033 in Kingston penitentiary, county of Frontenac, province aforesaid.

2. That on or about the 2nd day of April, 1934, a number of convicts discussed with Chief Trade Instructor J. W. Tweddell, the serious conditions existent in the penitentiary, the said Tweddell immediately reported the discussion to Warden W. B. Megloughlin, M.C., who at once interviewed the said convicts in the presence of the said Tweddell, and Chief Penitentiary Clerk L. H. Milard and other ranking officers and the said convicts repeated the statements previously referred to and were informed that a high official of the penitentiaries branch was about to visit the institution to investigate a complaint and that on the occasion of said visit the matter discussed by them would be laid before him.

3. That I was by a considerable number of the convicts requested to present their complaints to the said high official.

4. That on April 7, 1934, I addressed a communication to Inspector Dawson requesting said interview.

5. That at approximately 11.40 a.m. on the 9th day of April, 1934, I was escorted to the lecture room of the Administration building by Guard Sands and there met Inspector J. D. Dawson, who enquired the nature of the complaints referred to in my letter of April 7th. These complaints were discussed and Inspector Dawson declared his views thereon to me. He then enquired if I knew or had had conversation with convict 3242, to which I replied that the man had introduced himself to me on the preceding day whereupon Dawson produced certain material, records and letters relating to the said convict and declared him to be the greatest criminal in Canada and the most unmitigated liar. He then proceeded to read to me parts of what purported to be a copy of the record of said convict and produced a document said to be in the handwriting of convict 3242, supposed to be a letter intercepted between the said 3242 and Miss Macphail, M.P., and in further comment said:

(a) This man is Miss Macphail's informant in penitentiary matters. He is the man who informed her about the Lloyd case at Stony Mountain.

(b) Quoting his actual words, he further said—

I hate to say this:

"Aggie made a God damned fool of herself in the House of Commons, but when we are finished with her she will never be able to lift up her head in the house again."

I immediately informed Inspector Dawson that the nature of his conversations would be reported. We then discussed the whole question of athletics in the penitentiary, convicts

writing privileges, the inclusion of sport news in the prison bulletin and the teaching of trades to convicts. The interview concluded at 2.15 p.m.

6. Immediately on returning to the main prison I sought an interview with the protestant chaplain, Major Kidd, M.A., M.C., and at about 3 p.m. advised him of the nature of the conversation I had just finished with the said Dawson and particularly in respect to his attacks upon Warden Megloughlin and Miss Agnes Macphail, M.P., and I requested the said Major Kidd to immediately communicate with Warden Megloughlin therein.

7. Major Kidd and Warden Megloughlin conferred in the matter and certain actions which are a matter of departmental record were taken therein.

8. That in a letter to the Hon. the Minister of Justice dated July 26, 1934, and a statement dated August 9, 1934, the subject matter of the Dawson conversation was referred to.

9. That on the 2nd of June, 1934, the superintendent of penitentiaries refused to interview me and I was so informed by the aforesaid warden who at the same time informed me that he had been refused information as to what transpired in the interview between Inspector Dawson and myself on the 9th day of April, 1934, and I was then requested by the warden to prepare a minute of the interview of April 9, which minute, marked "For the information of the warden. Personal. Prepared at his request" was handed to him on June 11, 1934, and that the conversations of June 2, 1934, and June 11, 1934, between the aforesaid warden and myself took place within the hearing of and in the presence of other ranking officers of the penitentiary.

Alfred G. Hall.

Sworn before me a commissioner, etc., at the city of Ottawa, county of Carleton, province of Ontario, this 20th day of March, 1935.

A. G. Troop,
Commissioner and Notary Public.
Ottawa.

That is Mr. Troop of the law branch.

That evidence you may say is the evidence of an ex-convict. That is true. But he has made an affidavit. He is to-day a free man, and if the statements made in that affidavit are not true he can be prosecuted, and it is the business of the government to prosecute him.

Secondly, as I said before, I am not interested in the fact that it refers to me. It reflects equally on the honour of every member of this house. It just happened to be me. Surely it is a serious thing that conditions were as they were in Kingston. It was just approximately one month before the fire that an interview two and a half hours long took place between the inspector and one man representing the convicts or a number of the convicts. That interview was not reported and there is no record of it. Last night at twelve o'clock I sent the following wire to Major Kidd, M.A., chaplain of Kingston penitentiary.

Mr. SPEAKER: I must call the hon. member to order.

Miss MACPHAIL: There is only one way in which all these things can be settled, and that is by a wide-open investigation conducted, not by the people accused, but by people who are impartial, and I ask for that.

ST. ALEXIS, QUE., MAIL SERVICE

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): I would ask the Postmaster General kindly to look at question No. 12 on the order paper and then say if he considers that this which I hold in my hand is an answer to that question.

Hon. ARTHUR SAUVE (Postmaster General): I answered that the question was under consideration.

Mr. MARCIL (Translation): Will the hon. Postmaster General read over again question No. 12 on the order paper of to-day and tell me whether he considers that his answer is sufficient?

Mr. SAUVE: Certainly.

ROYAL CANADIAN MOUNTED POLICE

REPORTED PRESS INTERVIEW GIVEN BY POLICE OFFICIAL

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, referring to a matter that was mentioned in the house the day before yesterday by my hon. friend from Gloucester (Mr. Veniot) in regard to an alleged interview with Inspector Zaneth of the Royal Canadian Mounted Police which appeared in the Montreal Herald of March 14 last, I beg to say that upon making inquiry I have received the following report from the officer commanding "C" division:

Inspector Zaneth informs me that he was rung up by the Herald reporter who said, "Have you heard that there is going to be a royal commission and that the Hon. Mr. Veniot said that the mounted police destroyed a boat and some food?" Inspector Zaneth replied that he did not know anything about it. The reporter then asked if the mounted police would destroy anything like that in the course of their duty, and Inspector Zaneth replied that no destruction of any goods would take place without the order of the department concerned. That was the whole of the telephone conversation.

UNEMPLOYMENT AND FARM RELIEF

FURTHER PROVISION FOR CARRYING OUT RELIEF MEASURES, MEETING FINANCIAL CONDITIONS AND MAINTAINING CREDIT OF DOMINION AND PROVINCES

Hon. W. A. GORDON (Minister of Labour) moved the second reading of Bill No. 41, respecting relief measures.

Hon. FERNAND RINFRET (St. James): Mr. Speaker, before this bill is read a second time I wish to say a few words only because this matter has often been discussed in this house and we had a debate upon it on the motion for going into supply a couple of weeks ago. I wish, however, to make my attitude with regard to this bill quite plain.

On the previous occasion I stressed the necessity for federal help in this matter, and in that spirit I may say that I welcome this bill, without going into the details of it. The necessity for federal help in the matter of relief is universally acknowledged, although people differ as to the form it should take. I wish to draw the attention of the Minister of Labour to the fact which has perhaps been signified to him already, that in the city of Montreal not very long ago the present mayor took the stand that if federal help was not available he would not attempt to carry on, and he considered it absolutely essential on account of the unemployment situation existing in the city of Montreal that proper help should be available from this government. He also pointed out that he considered that for the last month the help that had been given by the government was not sufficient.

The present bill is similar to previous bills. It authorizes the government to do things but it does not specify exactly what the government is to do. It is carrying out the policy of a blank cheque, which policy has been discussed before. During the time when I was acting in the dual capacity of mayor of Montreal and member of this house I voted against my hon. friends on this side because I considered that the federal government should do its part in meeting the relief situation. As to how the government does its part is perhaps a matter for discussion in the committee stage. I am quite willing to support this bill but I regret that it is another blank cheque. It not only enables the government to do everything it pleases but it enables the government to do less than it should. I would prefer if the Minister of Labour (Mr. Gordon) would indicate what the government intends to do for the municipalities in the different provinces in the way of relief. I have no doubt that this bill will pass but I think the minister should give an explanation as to how he intends to use the bill for the few months he will be in office.

The question of delays comes up every time the relief situation is discussed. I do not intend to revive that issue to-day as the minister has always been very insistent that his department was not responsible for the delays. The Quebec government takes the same position as do the Montreal authorities who disclaim the accusation that they are slow in producing their accounts. Inasmuch as the government is expected to pay a certain sum I do not see why it considers it necessary to wait until all accounts are checked before making payments. After all, the provincial governments are solvent as are most of the municipalities. If there should happen to be a delay in checking accounts I think it should be possible to pay a city like Montreal a certain amount on account. I am sometimes reproached for having been at the head of the administration of that city, it being said that I should not discuss these matters. I think it is just the other way around. Whatever public opinion may be as to how the city was administered during the two years I was mayor, I think everyone will admit that I have acquired considerable experience in municipal matters. I say to the minister that it is very embarrassing for the administration of a large city like Montreal to have to wait months before it receives payments from Quebec and Ottawa. The city has lost considerable in interest because of payments which were not received in time. This has added considerably to the burden which the city has to carry.

I do not wish to speak any longer on this matter as I expressed my opinion during the debate two or three weeks ago on the motion to go into supply. I repeat that I do not like bills of this kind which are not precise in their text and which allow considerable leeway to the government. We seem to be indulging more and more in government by commissions and by orders in council. Practically every bill which has been before the house this session calls for a commission. We are drifting more and more away from the system of parliamentary representation; we are giving to commissions the work which should be done by the representatives of the people. In this instance no commission is contemplated but the government is reserving the right to do what it pleases, to increase or reduce the amounts to be paid for relief to the different provinces.

I consider that the unemployment situation is primarily a federal obligation and I think the government should be in a position to discuss in detail the policy which it intends to follow. I think it is a good policy to construct public works in order to provide employment and the government has had the endorsation and approbation of this side of the house in its hope that by a new policy of reforms it will create employment for a larger number of people. I contend that public works which are not needed provide only an artificial means of meeting the unemployment situation. The only cure will be through a return to normal conditions, through an expansion of trade and a recurrence of industrial activity. This is such a common sense truth that it is not necessary to stress it. No matter how many public works may be constructed throughout the country there will always be a certain number of unemployed in the larger centres. This will be so until there is a return of normal conditions in this and perhaps in other countries. In the meantime the government cannot escape its responsibility. This bill indicates that it is quite willing to meet that responsibility but I repeat that the minister should indicate in a more precise way what the federal government intends to do and to what extent it is ready to meet its obligations.

My remarks are not inspired by any political thoughts. I realize as well as any hon. member and perhaps better than most the extraordinary difficulties connected with this problem. However, if there was a time when the federal government should not shirk its responsibility, it is the present. The situation is very serious as many municipalities have practically given up hope of meeting the expenses which will be incurred in this respect. Even Montreal with its policy of heavy taxation will be able to meet only the immediate deficit in the municipal budget. The city will not be able to carry on if the government comes to its assistance in only a half hearted manner. It is not a question of limiting the amount, it is a question of meeting the difficulties as they present themselves. Therefore I will approve of the second reading of this bill in the hope that when we discuss the matter more fully we shall get a very detailed and precise statement from the government as to its intentions.

Mr. A. A. HEAPS (North Winnipeg): With one part of the speech delivered by the previous speaker (Mr. Rinfret) I am heartily in agreement. I think that the present unemployment situation puts too great a burden on our municipal authorities. At the present time many of the municipal bodies are almost breaking under the load which the unemployment situation places upon them. I think that the situation as it exists to-day may be called normal; we may have to wait a long time before we return to conditions as they were seven or eight years ago. The municipalities at one time were expected to take care of indigent cases within their own boundaries and as a result of the unemployment problem having assumed the vast proportions it has, it has become almost impossible for the municipalities to carry the enormous burden. Even when the present opposition was in power I suggested that unemployment had become so acute a problem as to have become more or less a national burden, and that the federal government should undertake the responsibility. For after all the municipalities are not in the least degree responsible for unemployment within their own borders, and if the causes of unemployment are national in their scope then the federal government ought to assume full responsibility for the situation. I believe that the added burden placed on municipalities by the federal government last year was a mistake, and I hope that before the bill is finally adopted in this house we shall have a statement from the Minister of Labour (Mr. Gordon) that the government intends to a very large extent to relieve the municipalities and if possible the provincial governments as well of the burden which they are carrying at the present time.

Another aspect of the question is this. I think it is a fact that every member of this house, irrespective of party, dislikes the idea of giving this form of relief to men and women, to those who are dependent on the public authority for relief. I think that parliament ought to get down during this session to something fundamental to deal with the unemployment situation, something more fundamental than the granting of this form of dole, which is the worst form of relief one can possibly think of. In my opinion the conditions in which we find ourselves at the present time are by no means abnormal, because conditions that have been in existence for a period of five years may be regarded as having become normal. We shall probably within the next few years at least be obliged to take care of quite a large number of our people in this country by means of relief, and I should like to see the government of the day, whatever government is in

power, take the question seriously into consideration and find for these men and women more useful ways of spending their lives than by waiting for the government to hand them relief. I should like to see our men and women absorbed in some town of useful and productive activity. My main purpose in speaking is to try to obtain from the government some promise, some pledge that they will make it easier for the civic governments to proceed in the giving of relief to those who come within their jurisdiction, because many of our municipalities to-day are on the verge of bankruptcy. If they are forced to go the way the city of Vancouver is going and the way the city of Hull proposes to go in the near future, if they are forced into a condition similar to that which now exists in Montreal, the financial capital of the dominion, whose authorities say that they cannot afford to maintain the unemployed within their borders, and if as I believe the unemployment problem is a federal responsibility, then I submit that the federal government should assume that obligation.

Mr. G. G. COOTE (Macleod): I had hoped that as part of the reform program which the government have introduced this session there would be some new methods suggested of dealing with the problem of unemployment. I particularly object to the present method because it places on the municipalities the onus of taking care of the unemployed. Every time I have spoken on the problem during the present term of parliament I have objected to this attitude both of the present government and of the former government. The policies which determine the possibilities of employment for our people are determined by this parliament, by this cabinet, and the municipalities are perfectly helpless in the matter. They are victims of bad policies which are initiated or allowed to develop through action or inaction in this house. Our policies in regard to trade and commerce, tariffs, immigration, railway rates and particularly in regard to the whole question of money and credit—these are the things that determine the chance of the people to get employment; and because of bad policy in connection with all these various matters we have the present condition of unemployment.

There is no good excuse for unemployment in a new country like Canada. The municipalities are helpless to do much in the matter; the provinces are really helpless, and the responsibility rests on this house. It is a national problem that should be dealt with in a national way. If it is the considered opinion of the government that they will not care for it except through unemployment relief or the dole, then the government should provide the dole. I do not believe in taking care of unemployment in that way. As I say, in a new country like Canada, undeveloped and with great national resources, with numbers of workmen the equal of any in the world, there is no excuse for unemployment. We have it because of our own stupidity. But why should this parliament inflict on the municipalities this task of taking care of the unemployed? I notice in this morning's Citizen that the cities, being unable under the present financial system to cope with the problem, have gone so far as to instruct the police to prevent people from moving in. According to the Citizen the mayor of Ottawa has issued to the chief of police the order that if families are not bona fide residents of Ottawa they will be ordered out of the city. I quote that to show the point to which our cities have been driven. After four years of taking care of the unemployed by the present method, the cities are being forced into bankruptcy, and I say that with a full realization of the conditions. There are several cities in Canada—I will not name them—which I think are virtually bankrupt to-day, and certain provinces are almost in the same position. They have had to be helped by the federal government and the reason they are in that position is, as I have stated, that wrong policies have been initiated in this parliament. I should like to see parliament take a determined stand on the matter. Let us say that it is the responsibility of the federal parliament to deal with the problem of unemployment. It would not be quite so bad if by legislation we did not go so far as to prevent the cities from doing one of the few things that they perhaps could do to deal with this question. We make them financially responsible for taking care of the unemployed, but the only sources from which they can get the finances to do it are either the citizens by taxation or the banks by borrowing. We will not allow them to create a little money of their own; section 138 of the Bank Act imposes a fine of $400 on any one except a bank who issues money or substitutes for money. When that act was being passed through this house a year ago some of us discussed this question for an hour or two in an endeavour to have that section deleted. It prevents some of the municipalities from issuing a certain amount of municipal scrip which otherwise I think they could do and so provide in some degree for the unemployed, but by legislation we prevent them from going even that far. So

that the only method at their disposal of taking care of the unemployed is by raising money either through loans from the banks, or taxing their ratepayers, and in many cases the rate of taxation has become so high that it has destroyed the value of the property on which it is levied. Personally I can no longer sit still in this house and see this burden imposed upon the municipalities and the provinces without voicing my protest.

Mr. JOHN T. HACKETT (Stanstead): I shall not attempt to follow the argument of the hon. member for Macleod (Mr. Coote) or the hon. member for North Winnipeg (Mr. Heaps) because they both profess economic doctrines which are a complete denial and reversal of accepted doctrine in Canada at the present time. I shall however direct a few remarks to the observations of the hon. member for St. James (Mr. Rinfret). He has put forward in a mild and bland way the suggestion that the federal government should contribute large and definite amounts to the maintenance of the unemployed in the cities. I have no quarrel with the method or the manner of his presentation, but is not his suggestion this, that this parliament should pour untold treasure into the laps of the civic adminstrations, there to be spent without let or hindrance and without control of those who are supplying the funds? I venture to suggest that the hon. member for St. James would not care to see the administration of the cities and the spending of the money controlled by the federal authority. He is, I believe—and I have no quarrel with him on this point—a pronounced and avowed believer in provincial rights, and would resent any encroachment by the federal authority whether by control or by direction, upon provincial or municipal policy in the expenditure of money. Many people believe that the administration of some cities, and in particular of the city of Montreal, has not been beyond reproach, and many believe that some of the financial problems that confront Montreal to-day are to some extent due to unskilful administration of the affairs of that city. Therefore it does not seem to me reasonable that the federal treasury should be asked to contribute large amounts to the requirements of Montreal unless it were to have control over the disbursement of those moneys, and I doubt very much whether the hon. member for St. James would be willing to concede that control.

After all, unemployment results from the fact that people cannot find work in the production of goods which may be sold. For a time there was great industrial activity in our cities; it has now subsided, and for the last four or five or even six years there has been a dropping off in employment. There has been some revival in recent months, but I doubt very much whether any one who looks into the figures carefully can find reason to hope that all the unemployed can again find gainful occupation in the industrial life of this country. It seems to me that loss of equilibrium is fundamental to the troubles that we are now experiencing, and that until a policy is initiated which will put the people who are now dependent upon the dole where they can provide for themselves food and shelter and clothing, we are bound to be afflicted by the ills resulting from unemployment. The hon. member for Macleod did make a reference to the abundant resources of the country, but those resources are not open to development by men who are out of work and are being fed by the municipalities and the provinces aided by the dominion. Until colonization becomes definitely and exclusively the prerogative of the dominion, in which event our constitution would have to be amended accordingly, we must look to those who exercise control over that department of our national life to reestablish this equilibrium. So long as people are permitted to remain in the cities and receive weekly allowances more or less adequate to their requirements, so long will this disequilibrium continue. I believe that a solution could be found by taking back to the land numbers of those who have come into the cities from the rural districts. I have said frequently in the house that I do not advocate sending these people to remote parts of the country, but a few acres in settled districts could be made available at moderate cost to those now unemployed in the cities. I believe that if this housing plan of which we are hearing so much, and which is now occupying the attention of a special committee of the house, were amended to provide small homes in the old and settled districts at low prices, a definite step would be taken towards solving this problem. Paying out money to feed people from day to day, when there is but slight chance of the majority of them becoming again self-sustaining, seems to me to be a policy which does not lead to permanent relief. I therefore again suggest to the minister that the provinces be made to understand that unless they are willing to abandon their prerogative as regards colonization, and unless the cities are willing to make over the administration and control of relief to the federal authorities, permanent assistance from the federal treasury should not be anticipated.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I am sorry that I cannot see my way clear to support the second reading of this bill, for reasons which are very few but very definite. This parliament was elected in 1930 on the statement and the assertion that unemployment had become a national problem, that it was a problem that had become so wide in its scope that it was a matter for the dominion parliament to deal with and a question for the dominion parliament to solve. I am opposed to the second reading of this bill because after five years of administration no relief program and no program to solve unemployment as yet has been placed before this parliament and the people of Canada. Indeed a blank cheque, instead of being a program, is a confession of failure, an admission that there is no program. I quite realize that the first year a measure of this kind was proposed in this parliament the government may have had some measure of justification for pleading that they had not had time to deal with such an important question as unemployment, but this has been going on for five years. This is the fifth session in which a measure of this kind, a blank cheque, has been presented for the endorsation of parliament, and it comes just at the end of the time fixed by statute for the duration of parliament.

Well, I do not think the government are justified in introducing such a measure this year. We were hoping, as some hon. gentlemen said, that in this reform program there would be a measure to deal with unemployment, but I think everyone will agree that in no bill that has been introduced this session and that has been called a measure of reform has there been anything that could in any way alleviate the serious unemployment which is distressing the country at the present time.

My other reason is also very definite and very simple. The same clauses against which we have always protested, including that clause having to do with peace, order and good government, which gives the government the right to do anything whether or not it is in the statutes, are included in this bill, and I do not think that at this time, after the government have been at the head of affairs for more than the usual term of office, we would be justified in giving them this power to do anything, whether it is or is not already in the law. So far as I am concerned I confess that I have not a sufficient degree of confidence in the government to entrust them with that power.

[Mr. Hackett.]

Hon. W. D. EULER (North Waterloo): Mr. Speaker, it would be very distasteful to me to place myself in any position as a result of which it might be represented that in any sense I opposed the voting of money for the relief of the distressed and unemployed people of Canada, and certainly I do not intend to take any such action. At the moment I rise not to discuss the policies or lack of policies which have resulted in the present condition of unemployment but to refer more particularly to the question raised by the hon. member for Macleod (Mr. Coote) and the hon. member for North Winnipeg (Mr. Heaps), as to the method of relief which should be adopted at this time, especially with regard to the municipalities.

I think it will be admitted even by hon. gentlemen opposite that what has been done already by the government in the way of what is called reform legislation can have no possible bearing on the question of curing unemployment. What has been done—I do not like to use the word—is more or less trivial in the effect it can have on the present situation. It can have no great bearing at all on the question of curing unemployment. The unemployment insurance bill, while laudable in its intention, it must be admitted will not help in the slightest degree the people who are now unemployed.

It has been said that there is some improvement, that there is more employment in the country than there was previously. In some degree that may be true; speaking of my own city I think perhaps there is a little more employment than there was a few months ago, although I believe that in the last few months we have been slipping in that respect, if I may use that term. But the fact remains that to-day in that city—and I do no suppose it stands alone in that respect—we are spending more money for relief than we ever spent before. The reason, I think, is that people who for the last two or three years have lived on their savings, now find themselves without means and under the necessity of applying to the municipality for relief.

As I said at the outset I am not going to discuss the policies of the government, or whether or not they are entirely responsible for the condition in which we find ourselves. I do agree, however, with the hon. member who preceded me, the hon. member for Quebec East (Mr. Lapointe), that in the last five years there has not been developed any definite plan for the cure of unemployment or any definite, systematic plan that can be recommended as having been successful in

the distribution of relief. I agree with the hon. member for North Winnipeg and the hon. member for Macleod that the care of the unemployed has become more than ever a national duty. Speaking for my own city, and I believe for a good many other municipalities, the burden of relief is becoming heavier than the municipalities can bear, and I think it has become a matter not only of right and duty but almost of absolute necessity for the federal government seriously to consider taking over if not the entire burden of relief at least a very much greater share than they have assumed up to the present.

My hon. friend from Quebec East has objected to the bill on the ground that it again grants a blank cheque. We on this side have always disagreed with that procedure, and I am not retreating from that position. If there were any justification for again giving the government a blank cheque, however, it might lie in the fact that in the mind of the government to-day there is some intention of taking over a greater share of the sums required for the relief of the people in the municipalities, and relieving the municipalities to a greater extent than is being done at the present time. I am quite sure the minister will, and certainly I believe he should in his explanation, tell us a little more about the government's intention concerning the proportion of relief they propose to undertake on behalf of the municipalities. I have risen for this purpose, namely, to say that the government should do something to help the municipalities—and for two reasons. In the first place, as has been said before, the matter of unemployment has become of national importance. The people in these municipalities are not simply citizens of Kitchener, Montreal, Quebec or any other city, but they are citizens of Canada. For that reason I say it becomes the duty of the government of Canada to assist those municipalities. Secondly, I would call attention to the absolute impossibility of some of those municipalities continuing longer the contributions they have made in the past.

If the minister has not already considered the matter I would suggest that he consider seriously having the federal government relieve the municipalities, if not entirely then to a much greater extent than obtains at the present time, of this burden of taking care of the unemployed.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, for several years past possibly at some risk of criticism I have supported the government on their relief measures, even when they have asked for blank cheques, because I have realized that the unemployed had to be cared for. The government was functioning in very difficult times, and had its hands very full. However, now that the government has been in power for nearly five years, and after the radio speeches delivered by the Prime Minister I had hoped we would have before us at this session some policy other than that of recommending a blank cheque for this particular purpose. Possibly the minister will have something to say on the matter, and I shall be interested to hear his observations. I would intimate however that at the present time we have no definite plan before us, nor have we any indication that the government has any other way of meeting unemployment than has been followed during the past years.

During the first year the government, in cooperation with the provinces and municipalities, put into effect an extensive public works program. I am sorry that policy was not continued. I suppose it was withdrawn because they felt the debt created would be too great. I submit however we must recognize that if we are financing undertakings really needed for the public welfare, and if we recognize that an asset is always produced to offset a liability we should not hesitate to proceed with public works which are really needed. On the one hand we have the raw material and on the other an over supply of labour.

I was interested in the remarks of the hon. member for Stanstead (Mr. Hackett). His observations always hold great interest for me because I believe he and I take an entirely different view of most matters which come before the house for consideration. He is of the opinion that if the provinces would give up to the federal government their right to colonization, and if the federal government would carry out an extensive program of colonization, placing people who have left the country back on the farms, all would be well. May I remind the hon. member there are very definite reasons why people have left the country to go to the cities. I believe the main reason lies in the fact that on the whole the standard of living is much higher in the city than it is in the country. Furthermore agriculture in Canada to-day is possibly at the lowest ebb it has been for generations. Surely the hon. member could not have noticed the prices which have obtained for some years past for farm products. He must realize that when wheat is selling below cost, when prime steers are selling as low as $12 or $16 per head, when sheep are selling at $1 each,

when dressed carcasses of prime lamb are selling at $2, when butter has sold as low as from six to twelve cents per pound, and when eggs have sold as low as four cent to six cents per dozen, it is impossible to expect to put people back on the land and keep them there. Especially is that true when we realilze that other prices have not dropped proportionately. Further, if the provinces gave up their rights to colonization surely they would have to give up their rights to the land they control, something which would involve practically the giving up of their provincial rights. Surely we could not expect them to do that.

On other occasions I have drawn attention of hon. members to the fact that while we have unemployment in industry we have an over-employment problem in the country. If farming could be put on a paying basis, when most farms in Canada could quite easily use the help of an extra man, I believe we might take up the slack of unemployment, and would be adopting one of the means of curing at least for the time being the unemployment problem.

I would remind the house that the mechanization of industry and the use of solar energy constitutes one of the reasons why we have unemployment. A few days ago an hon. member stated that in Canada we have 8,000,000 horsepower created by waterpower. That would mean that we have the equivalent of eight man slaves behind every man, woman and child in the dominion. The effect has been that we have been able to produce quickly and in enormous quantities the goods we require. A further effect has been that of transferring work from the shoulders of man to machinery. We must recognize therefore that we cannot solve the problems of the future as we have solved those of the past, by producing more and consuming less.

I suggest there are ways and means of taking up the slack of unemployment. For instance I am told on very good authority that if we took proper care of our forests we could easily employ all the men now idle for some years to come. May I remind the minister that the problem is to a great extent one of purchasing power rather than of unemployment. We have unemployment because we have a glut of goods. In other words, the richer we are in the possession of goods the more unemployment we have, because people are not wanted to produce more goods unless the goods already produced are moving to consumers.

Some weeks ago the hon. member for Macleod (Mr. Coote) suggested another way to solve unemployment, namely, the pensioning of people who have reached the age of sixty years. We find that people try to continue to work until they are seventy, seventy-three or possibly seventy-five years of age, while on the other hand we are at our wits' end to take care of the younger generation of people between the ages of twenty and thirty years. Surely it would be only common sense to pension off the older people who are working only to have security, and many of whom would be only too glad to accept a small pension for an assurance of security, and thus make room for the younger generation. I believe our problem is to a great extent one of deciding how best to make use of the vast quantities of goods and services which can be produced so easily to-day. As was stated a few days ago the problem is not one of production, but one of distribution. In my opinion there is never sufficient money paid out for the cost of the production of goods to enable those goods to be bought; in other words, there is never sufficient total cash in the country, taking the cash in the pockets of the people, plus all deposits drawable by cheque, to equal the price of the goods offered for sale, and therefore it becomes the duty of the government to monetize the national credit and make up this deficiency. This would enable the people to live on a much higher standard of living. It would begin to move the goods and services of which we have now such a glut, and would create a call for more. It would also call for more people to be employed, and the situation would be entirely changed.

A dole as a dole is wrong, and should be discontinued. If we have public work to do, it should be done, as long as we have the raw material and the people who want to do it. I am sorry that the government has not put forward some other proposal this session to meet this very aggravated situation. I believe we have to look at it in a way entirely different from that in which it has been viewed in the past. We are not going to solve the problem simply by suggesting that people work harder and produce more but at the same time consume less. That recommendation was perfectly all right prior to the machine age, but is entirely wrong to-day.

Hon. MAURICE DUPRE (Solicitor General): Mr. Speaker, I was surprised a moment ago to hear my hon. friend from Quebec East (Mr. Lapointe) oppose our legislation on the ground that he thought this government had not the right to do anything of the kind. He was opposed to this legislation for the reasons

that had already been given against this policy of giving the government a blank cheque. But this same member for Quebec East was some time ago in Quebec alongside the premier of the province praising the principles and the unity of the Liberal party, and stating that the Liberal party was fighting just one fight in both the provincial and the federal arena. Has my hon. friend the ex-Minister of Justice (Mr. Lapointe) forgotten the legislation which the Liberal government in the province of Quebec is trying to pass in the provincial legislature? I have before me Bill No. 15, which has already been presented to the legislature of Quebec and is now awaiting its second or third reading. It is entitled, the Needy Unemployed Aid Act, 1935. What does the second section of that bill say? It reads as follows:

The lieutenant governor in council shall have power to do or authorize such acts and things and to make from time to time such orders and regulations as he may deem necessary or advisable with respect to the steps to be taken with a view to remedying unemployment, and—

May I draw your attention, Mr. Speaker, to the following words:

and, without restricting the generality of the foregoing terms, he—

That is the lieutenant governor in council.

—may, for the same purposes amend, suspend, repeal or add to any provisions of previous Unemployed Aid Acts or to any other act of the legislature.

In other words, if this bill which I have in my hand goes through the provincial legislature, the lieutenant governor in council will have the right to amend any legislation already passed, to repeal any legislation or to add any provisions of previous unemployed aid acts, or to any of the acts of the legislature of the province of Quebec. I think this is more than a blank cheque.

Mr. LAPOINTE: If!

Mr. DUPRE: Does my hon. friend agree with that measure?

Mr. LAPOINTE: No.

Mr. DUPRE: I take it that on this question my hon. friend from Quebec East does not agree with the Liberal government of Quebec.

Mr. LAPOINTE: Since my hon. friend has asked me a question I suppose I may answer it. The minister who is in charge of this bill, when I talked to him about it, stated that this clause would never be passed.

Mr. DUPRE: I do not agree with the hon. member. I will agree that this projected legislation has stirred up public opinion so much in the province of Quebec that the Liberal government of the province has not dared up to now to go through with it.

Mr. LAPOINTE: But you are going through with this.

Mr. DUPRE: That Bill No. 15, however, is still on the order paper of the legislature of the province, and all we have is the declaration of the Minister of Public Works for the province, the Hon. Mr. Francœur, who states at the present time that he does not know what he will do in regard to this legislation, but that he has not bound himself to withdraw the bill.

Mr. LAPOINTE: What about yours?

Mr. DUPRE: That is not all. The second paragraph of section 2 of Bill No. 15 reads as follows:

The lieutenant governor in council may likewise authorize the Minister of Public Works to enter into any agreements or arrangements with the government of the dominion or with any municipal corporation of this province, or with both, having for object the relief of unemployment.

Here may I draw attention to the fact that there is no limitation on the amount. Then section 4 of the bill reads as follows:

If required for the purposes of putting into effect the provisions of this act, the lieutenant governor in council is authorized to acquire, by agreement or expropriation, the necessary immovable properties and every immovable right, charge, lease for occupation or emphyteutic lease, constituted rent or other rights affecting such properties.

Again there is no limitation on the amount. Then I come to section 5 of the same bill, which reads as follows:

The lieutenant governor in council may authorize the provincial treasurer to advance or pay, out of the consolidated revenue fund of the province, on the certificates of the Minister of Public Works, the sums which the province of Quebec may be called upon to expend under the provisions of this act.

Again I say to my hon. friend from Quebec East that there is no limitation on the amount. But there is something more. The second paragraph of section 5 reads as follows:

The lieutenant governor in council may, if he deem it expedient for the purpose of paying all or part of the sums required or for reimbursing any advances made, also authorize the provincial treasurer to contract a loan or loans, by means of bonds or inscribed stock issued on the credit of the province.

In other words, if I understand this paragraph well, the lieutenant governor in council may, if he deem it expedient, borrow any amount

of money. There is no limitation as to the amount and no limitation as to the rate of interest or the term of the loan.

Then I come to section 7, which reads as follows:

Notwithstanding any provisions to the contrary of any general or special act, every municipal corporation, however incorporated and whatever the law governing it, is authorized:

(a) To benefit from the carrying out of the provisions of this act;

(b) To do and order, by resolution of its council, all things necessary for such purposes;

(c) To contribute towards the expenditure incurred out of its general funds.

And then comes the important part of that section:

(d) To make by-laws for loans by an issue of bonds or debentures or otherwise, without other preliminary or subsequent formality than the approval of such by-laws by the majority of the members present forming a quorum of its council and by the Quebec Municipal Commission and the lieutenant governor in council.

The borrowing power granted by this section shall not affect the borrowing power possessed by such municipal corporation and shall be construed as authorizing one or more loans exceeding the limit fixed by the acts governing such corporation.

If this legislation passes, any municipal corporation will have the right to borrow any amount of money, the only formality necessary being approval by the majority of the quorum of the council of the municipality, by the Quebec municipal commission and by the lieutenant governor in council. It is stated that the borrowing power granted by this section shall not affect the borrowing power already possessed by such municipal corporations.

We have heard one of the authorized voices of the Liberal party raised in opposition to our legislation because of the powers conferred upon the governor in council. I have related to the house the legislation which the Liberal party of Quebec is trying to pass through the legislature at the present session. If this legislation passes it will give the lieutenant governor in council the right to amend, to suspend, to repeal or to add to any legislation already in force and to borrow any amount of money. The right is given to any municipal corporation to borrow any amount of money. In view of this, I think the best thing our Liberal friends from Quebec can do is to remain silent.

Mr. PAUL MERCIER (St. Henri): Mr. Speaker, I have listened with great interest to the remarks of the Solicitor General (Mr. Dupré) in connection with Bill 41, respecting relief measures. When the Solicitor General rose I had hopes that he would tell the house something about the bill, but he went completely outside the matter. He went to the Quebec legislature and discussed a bill which is on the order paper there. That bill has not been discussed and no one knows what will be the final result. The specimen bill referred to shows that it has been drawn up similarly to the present bill. Section 2 of the present bill reads:

Notwithstanding the provisions of any statute or law the governor in council may, upon such terms and conditions as may be agreed upon, enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province and to Canadian Cooperative Wheat Producers Limited by way of loan, advance, guarantee or otherwise;—

I am disappointed at not finding in this bill some provision to assist the small real estate owner. If we can help the provinces, the muncipalities and the wheat producers, why cannot we help the small real estate owner who is about to see his property seized by the sheriff or the loan company or the mortgagor? I am against this bill because the amount of $500,000 granted to Quebec is not sufficient. The city of Montreal is expending over one and one half millions each month for relief, and Montreal is not the only city in the province. There are Quebec city, Sherbrooke, Valleyfield and other centres which must ask for relief. Within the next few days there is to be held in Montreal a meeting of mayors of cities throughout Canada. They are meeting to discuss different matters relating to municipal affairs, and afterwards they will come to Ottawa to see the government to try to obtain grants for relief. Why should these mayors undertake a long trip at the expense of the municipal treasuries in order to discuss these matters? They are doing it because they cannot meet their relief obligations and they hope to obtain better treatment. I am against this measure because it is like other measures of the kind which have been passed during the past four years. I think these measures were considered by the people of Canada when they voted in the recent by-elections. The people voted against such measures and yet this year the same thing is being presented. Knowing the sentiment of the electors as expressed in the past, I feel sure they are against this bill, and as a member of parliament I feel it my duty to vote against it.

No limitation of amount is mentioned in the Taschereau bill, and this bill seems to be suffering from the same disease. We do not know what amount is going to be given to

the province of Quebec, and until that is known that province cannot put an exact amount in the bill placed before the legislature. The province must wait to see what the federal government is giving before taking definite action with regard to the obligations which the federal government promised it would meet in the elections of 1930.

I submit that this bill offers nothing new. Canada is suffering from unemployment and this problem is not met. At the present time the provinces cannot see just where they are going; they cannot find any rainbow in their sky, they can see only the clouds of misery. They do not know whether the assistance they are to receive from the goverment will be sufficient to allow them to escape bankruptcy and save the municipalities.

Hon. J. C. ELLIOTT (West Middlesex): Mr. Speaker, I intend to devote only a few moments to this bill, because on looking it over I find that there is nothing new in it. It is copied from the bill of last year, which was a copy of the bill of the year before. The new deal which the people of Canada have been looking for ever since the radio speeches to which they were treated dwindles down as we make its acquaintance. The question of the blank cheque has been argued before in this house, and as the government evidently intends to insist upon it I do not suppose there is much object in taking up the time of the house by discussing a copy of an old measure which has proved to be so unpopular throughout the country in recent years. For that reason I do not intend to devote to it any time. In the province from which I come, since this house met last there were five by-elections, and in every one of them one of the great issues stressed on behalf of the government was its unemployment policy, which hon. gentlemen opposite attempted to defend, which this opposition condemned and in particular its blank cheque feature. I need not tell you, Mr. Speaker, nor the minister in charge of this bill, nor the Minister of Railways, nor the Minister of Public Works, all of whom come from Ontario and who took part in these discussions, how unpopular the unemployment policy of this government proved during those by-elections, and particularly the blank cheque feature of that legislation. I do not suppose that if this house were to debate the matter for a month until closure was applied, as was done when the measure was first introduced, it would change the views of this government. They tell us that they have changed and are reformers now, but when we begin to examine their legislation we find that it is just the old type of Tory legislation, bearing no semblance of reform whatever. For that reason I do not intend to debate it at further length. I think it is just as iniquitous as the members of the opposition claimed it was when it was first introduced. This government, with its majority will likely pass it. This government and its supporters constitute the only tribunal to which I believe it will appeal. Throughout the country, wherever there has been a chance to vote upon it, the most severe condemnation has been passed on it and I am satisfied this is the only place where it will carry. It will however, carry and for that reason I think we should get along to an examination of some of the reforms which we were promised a couple of months ago. Therefore, though opposed to the bill, I do not intend to take up the time of the house going over straw that has been already threshed two or three times. This legislation has received the most cordial disapproval of electors throughout the dominion whenever they have had a chance to vote on it.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I merely wish to put on record a question which I would ask the minister to reply to. I would refer him to page 2117 of Hansard of April 13, 1934. A question was put then to the leader of the government with regard to the classification of the unemployed. It is a matter of great importance. Yesterday the Minister of Railways blamed the opposition for not offering any constructive suggestion of policy. Now this is a most timely suggestion, which has been offered again and again to the Minister of Labour, and the only reply which I have received was the reply from the Prime Minister who spoke as follows, as reported at page 2118 of Hansard of April 13, 1934:

> The government has done everything it reasonably could do, in cooperation with the provinces and otherwise, to classify the unemployed.

This is a suggestion which has come from the opposition, and until the unemployed are classified nothing practical will be done for their relief. I would therefore ask the minister to be good enough to comply with my request to tell the house what has been done in accordance with the statement made by the leader of the government with regard to the classification of the unemployed. What has been done in that regard from 1930 to date?

Mr. C. G. POWER (Quebec South): I do not know whether we should continue complaining of the treatment we have been receiving from the government, whose attitude

has been—be damned if you do and be damned if you don't. Yesterday I complained that the Minister of Railways and others opposite had chastised us because we did not put up any strenuous opposition to the brain trust bill, and now we have our good friend the Solicitor General—and by the way may I be permitted to congratulate him on his birthday—

Mr. DUPRE: Thank you so much.

Mr. POWER: —blaming us because we support a government which apparently has in mind or has proposed to pass legislation similar to that which his government is introducing in this house. We are damned if we support Taschereau in Quebec and I presume we are damned if we oppose this government in this house. There is only one way out of the dilemma and that is for the government to get out of power and then perhaps we might get that absolution to which our good deeds entitle us and be allowed to carry on the government of the country without being worried by my hon. friends opposite.

The Solicitor General (Mr. Dupré) has I think correctly stated the terms of the bill which has been introduced in the Quebec legislature, and may I say that possibly it shows more than anything else the influence of bad example on the public life of this country. But the Solicitor General would seem to blame us for supporting that bill. Speaking for myself alone, though I have high respect and admiration for the Hon. Mr. Taschereau, I would no more support the bill introduced by Mr. Francœur if carried in its present form than I would such a bill introduced by hon. gentlemen opposite.

Mr. DUPRE: That is what we wanted to know.

Mr. POWER: You know now. I will give the Solicitor General some of the reasons why there was at least ample justification for the introduction of such a bill in the legislature. In the first place he is not unaware that since this government has been in power, over five years now, it has never had anything even approaching a vestige of a policy on unemployment. It has kept on repeating that unemployment was primarily a matter for the municipalities, secondly a matter for the provinces and thirdly that grants in aid were to be made by the federal government. But never has it stated definitely what its policy was in the matter. Never has it said how much or in what manner it would give aid to the provinces. The first unemployment measure was a vote of $20,000,000 whereby the municipalities and provinces were encouraged to spend thousands of dollars in many instances on useless public works and to bring themselves to the very verge of bankruptcy. The next thing we had was relief, then we went off relief and went on to public works, and then back to relief; and now we have apparently a combination of relief and public works. No provincial government has been able to say in advance just what policy or program would be followed or would be suggested or would be put before them by this government.

On many occasions, as has been pointed out, this government has threatened to withdraw all manner of assistance, particularly in the way of relief. Provincial statutes, provincial legislation, provincial departments are all interested in the policy which may be laid down by this government. It was absolutely essential that the government of the province of Quebec should be prepared, in case their session finished before the labours of this session are concluded, as it nearly always does, and should have the authority and power and jurisdiction to deal with, let us say, colonization, let us say, public works, let us say, relief. And it was in order to obtain those powers that the bill was introduced. If the Minister of Labour, if the Solicitor General, if any hon. member of this government will definitely say to the government of the province of Quebec what their policy is, the government and legislature of the province of Quebec, now in session, will pass legislation enabling it to cooperate to the fullest extent with this government.

Some hon. MEMBERS: Oh, oh.

Mr. DUPRE: If I may ask a question, what about the right conferred on the legislature by the bill to repeal any act already passed, whether it be about unemployment, or any other act of the legislature?

Mr. POWER: I am sorry if I am not speaking loud enough for the hon. gentleman. I stated that many departments of the government of the province and presumably many statutes on the statute books of the province of Quebec would be or could be affected by proposed legislation in this house, and in order to cooperate in every way with this government it was necessary to prepare so as to be able to meet the wishes of this government with respect to relief. I simply point out that the government of the province of Quebec has not been remiss in its duty. As long ago as January, if I mistake not, it offered to pay fifty per cent of the cost of

relief in municipalities—yes, longer ago than that, I think last November. For many days and months no reply came from this government, and finally the offer was absolutely rejected. Only a few days ago the premier of the province of Quebec offered to the federal government to take over the whole cost of relief if the federal government would remit to the province the collection exclusively of the income tax in that province. It is difficult for the province to be prepared to deal with this government when almost invariably action is deferred until the last week of the month of March, just about the time when their powers under former legislation have expired. This year I must congratulate the minister upon the fact that he is five or six days ahead of his schedule but on other occasions the bills were introduced about the 24th, 25th, or 26th of March and we were told, "we must vote this before the last week of March or else people will starve throughout Canada. It is pointed out to me that the session started a week or so earlier this year. But we had reason to expect, and the government of the province of Quebec had reason to expect, that this year the unemployment bill would be something important; it would not be only a repetition of last year's. That is an additional reason for having prepared for it by giving themselves wide powers of legislation. I will tell you why. On January 2, 1935, we heard the following words:

> Therefore, now that the time has come, I am determined to try with all my strength to correct the working of the system in Canada so that present unemployment conditions may be put an end to. When I say I will correct the system I mean that I will reform it, and when the system is reformed and in full operation again there will be work for all.

Consequently no need of this unemployment and relief legislation.

> We then can do away with relief measures. We then can put behind us the danger of the dole.

But what is this except a dole bill? It is nothing else. We were promised that we could put behind us the danger of the dole. Therefore the provinces expect some kind of legislation which will do away with the danger of the dole.

Mr. GRAY: Who made that speech?

Mr. POWER: The speech was made by the authorized—not then authorized, but the gentleman who has since been confirmed as the authorized spokesman of the government. He goes on:

> I am against the dole. It mocks our claim to progress.

This bill that we are asked to pass on, which provides for relief—if it provides for anything at all it certainly provides for the giving of relief,

> —mocks our claim to progress. Canada on the dole is like a young and vigorous man in the poorhouse.

Some hon. MEMBERS: Hear, hear.

Mr. POWER: I ask my hon. friend the Solicitor General, what does he think of that?

> The dole is a condemnation, final and complete, of our economic system. If we cannot abolish the dole we should abolish the system.

This is the radio speech made on January 2, 1935.

Mr. GRAY: By whom? Name him.

Mr. POWER: I am told by my hon. friend from Bow River (Mr. Garland) that this is a C.C.F. speech. I am not quite sure yet whether the C.C.F. are willing to accept the leadership, though they may accept the principle. It has been pointed out to me that the words are words of the C.C.F. but the music is by someone else.

When this speech was made in January, 1935, the right hon. gentleman who made it must have had something in his mind, he must have had some idea of the manner in which he was going to do away with this dole which is a condemnation of our economic system. And he said so. In a speech delivered in New York on February 16, 1935, the Prime Minister said:

> I would find it impossible to conceive and to develop a scheme of recovery and reform unless I first had definitely decided upon the answer to it.

Therefore anyone and everyone in this country who had been listening to the Prime Minister must have been under the impression that he had some new scheme, some new plan to do away with this dole, this thing that makes the people of Canada look like a young and vigorous man in the poorhouse. We could not believe anything else but that there was something new to be brought down. And now we know what it is.

Yesterday during the course of the debate my hon. friend the Minister of Railways (Mr. Manion) rose in his place and said that the "brain trust" bill, the bill for the economic council, was considered by him to be one of the most constructive measures any Canadian government has brought forward. Then in dealing with the problems which were to be solved—or rather to be studied, which is worse—by this council, the minister said:

"To-day we have such problems as unemployment—

and I am laying aside the railways problem for the moment.

His economic council does not know enough about the railways. They can deal with other things. but I do not know how the railway question will be solved.

Mr. MANION: By the hon. member for North Waterloo (Mr. Euler).

Mr. POWER: And perhaps the hon. member for North Waterloo will find a good many advisers to tell him how to solve it. Then let us see what else the minister said, because this is worth repeating.

Then let me suggest that a group of men such as is proposed in this bill, if they are given a problem such as that—

That is, unemployment.

—to consider, if they give their best brains to it as fifteen men of this type will do, may well succeed in bringing forth a settlement of such a vital problem to this country and to the world in general as unemployment.

Our fifteen men, including seven civil servants, are going to settle this problem for the world. This is a super brain trust. It is better than the Nazi brain trust in Germany, better than the Fascist brain trust, better than the Soviet brain trust and far better than the brain trust poor President Roosevelt has had to discard.

Mr. MANION: I rise to a point of order. I do not like to interfere with the hilarity aroused by the speech of the hon. gentleman, but I think he is breaking a rule in quoting in this debate a speech made on another question during the present session.

Mr. POWER: Then I will not quote from Hansard, although I am dealing with unemployment and I think possibly on a point of order it might be possible for me to quote what was said by the hon. gentleman during the debate yesterday. His words were so important that they were seared into my brain and I remembered them. My hon. friend said it was quite possible that this economic council, composed of people who will sit down and think—

The DEPUTY SPEAKER: The hon. gentleman certainly cannot quote from a speech made during the present session.

Mr. POWER: Then I will not quote from it; I will stand here away from it. I pay particular attention when my good friend the Minister of Railways speaks; I remember what he said.

[Mr. Power.]

Mr. MANION: It will do you good if you remember enough of it.

Mr. POWER: I remember it all. My hon. friend said it was quite possible that this council of fifteen, of whom seven are civil servants, five, chosen by some sort of society and three, other kinds of liars' experts, who will meet twice a year and sit down and think, might solve this problem. The point was that they are to sit down and think as we—and my hon. friend referred to himself and his colleagues—have not been able to do in the last five years. I hope the minister will admit that I have been quoting him fairly; I am told that I have given his remarks almost verbatim. That is something I cannot forget; it is too good. The Prime Minister says we must do away with unemployment; he goes down to New York and says he has all the answers, and now the Minister of Railways says that this country, including the seven civil servants, will be able to think and we will be able to settle this question, as the government would have been able to settle it long ago if they had been able to do the same. I will leave that with my hon. friend. The unemployment question has been hovering over the people of this country for the past five years, and the only solution we have heard is that repeated by the minister to-day.

Mr. GARLAND (Bow River): Hovering is hardly the word.

Mr. POWER: Hovering is hardly the word, unless it has some reference to the bad angels who, when the good angels came along, were cast into the nethermost depths of hades. The unemployment question and its accompanying problem, that is to say the present government, perhaps would be in the same position as those bad angels whom the name-sake of our race, St. Michael, was able to chase into those nethermost depths of which I spoke.

Mr. GARLAND (Bow River): Now St. Patrick is at work.

Mr. POWER: No, St. Patrick is not working until next year. I direct the attention of my hon. friend the Solicitor General (Mr. Dupré) to this situation, and I will make him this challenge without being in any way authorized to do so. If this government will bring down any clear and definite program and policy of reform, including a definite demand on the provinces to deal with colonization and public works, asking them definitely what they are going to do about it, then I will guarantee that not only the

province of Quebec but every province in the dominion will be very grateful and only too glad to cooperate, as we on this side of the house are now and have been in the past on every occasion when such a bill has been brought down. We said to the government then, as we say to them now: Tell us what you want to do with the money. Tell us what you have in mind to deal with this situation. Tell us if you have any plans, any program or any policy. Give us some limit to the amount of money you propose to use. Tell us in what manner you are going to use the powers for which you are asking, and we will vote all the money you want and give you all the powers you require without further discussion.

Hon. W. A. GORDON (Minister of Labour): It is a matter of some gratification, though from one point of view I hesitate to say so, that hon. members opposite can deal with this problem in such a fine spirit of levity. It reflects the great deal of serious thought, or lack of such, that has been given by them to this most baffling problem. Speeches have been referred to—many of the speeches made here are thoughts in quotation marks—as to what someone said he could do or thought he could do with respect to unemployment in Canada. Criticisms have been offered, and anyone who is a member of a government can expect criticism. I invite it, because out of the criticism one frequently becomes better acquainted with the problem in hand and perhaps better able to attack that problem and solve it if it is capable of solution.

The first criticism levelled at the government seems to be that the federal state has not relieved the muncipalities and—or the provinces of the responsibility of taking care of those unable to take care of themselves and of providing employment for those who are ready, willing and able to work. Unemployment is not a new problem, by any means; I presume it existed at the beginning of time and I expect it will continue to the end of time. A condition of unemployment existed in Canada twelve or thirteen years ago, and we know that the government of that day under the leadership of the present right hon. leader of the opposition was called upon to outline a plan to help the unemployed, a plan of contribution from the federal treasury which would conform to the limitations placed upon the federal state. At that time it was made abundantly clear that in order to assist or to make contributions the federal state must deal with the provinces, and the order in council passed at that time recited in clear terms the respective responsibilities so far as unemployment was concerned. That order in council stated that the responsibility for unemployment was primarily that of the municipalities, that it was next the problem of the provinces and that only in cases of national emergency should the federal state take a hand towards assisting the provinces and municipalities. That principle was spread on the records of this house not only by the right hon. gentleman opposite but by the then leader of the opposition, the present Right Honourable Arthur Meighen.

Let me put this question to hon. members: What kind of machinery is available to the federal state for the administration of direct relief when there are unemployed not only in the cities but in every little hamlet throughout the country? What machinery is there in the federal state; to whom must we turn and what body must we rely for the administration of those funds? There is only one machinery, namely the provincial and municipal machinery set up by the various units in our country. It would not be possible for the federal government to administer direct relief without setting up machinery which unquestionably would result in quite unjustifiable administration expenses.

Having that in mind, and having also in mind the fact that relief such as that to which I have been addressing myself is primarily a municipal responsibility would the dominion government as has been suggested by hon. members opposite be justified in taking the taxes of the dominion taxpayers and paying 100 per cent of those moneys over to bodies over which they have no control, and in the disbursement of which they would have no say? I imagine all of us are fairly human, and we realize that annually there are municipal elections throughout the country. Each municipality has its opposing local forces, and if the dominion government undertook to supply unlimited amounts of money, and turned those moneys over to the municipalities or provinces without any control, then I am wondering just in what position the treasury would be. How possibly could this country carry on? I have great sympathy with those municipalities the resources of which, by reason of the times through which we are passing, have been subjected to heavy drains. One of the very best safeguards upon which we can rely however is the fact that municipalities

and provinces must make contributions towards the fund, and while making those contributions they are zealous to see that the money is properly spent and goes for the purposes for which it was intended. There is no question about that.

I am not going to discuss the attitude taken by the late government respecting these matters. I have heard it said, although I have never been curious enough to consult Hansard, that upon one occasion the right hon. leader of the opposition indicated how little he would give to any province which did not conform to his political views.

Mr. BOUCHARD: You promised us everything and gave us nothing.

Mr. STEWART (Leeds): Gave nothing, did you say?

Mr. GORDON: I am afraid I do not follow the hon. member. I have not been curious enough to consult Hansard and to read the statements made by the right hon. gentleman. I must say however that I have heard his observations quoted. I think perhaps he made his statements in a spirit of petulance, and I do not hold it against him, as some people do. However he indicated his attitude. I think probably what he meant or what he would have liked to say, upon reflection, was that he would be extremely careful in handing over federal funds to the provinces, lest those provinces might not see eye to eye with him in the disposition of such funds, or the necessity for disbursements.

In order that there may be no doubt about the attitude the present government has followed, may I state that immediately upon taking office we caused conferences to be held at which provincial representatives and premiers of the various provinces attended. Who better than those men would know the peculiar difficulties with which they were confronted? Remember this, that while the policy of relief is to be commended, because in a large measure we are taking care of those unable to take care of themselves, we must not deceive ourselves in the belief that relief has been effected entirely free from politics. Many times I have had occasion to review the matter from that angle. During the last five years conferences have been called by the federal government at which the provincial representatives were given the opportunity to review their respective positions and to determine the extent to which they could carry on alone and, further, the extent to which the federal state would have to come to their assistance. I do not know of any other method that could have been employed in order to acquaint oneself with the difficulties with which we were engaging ourselves.

Much has been said about the province of Quebec and about the city of Montreal. Let it be understood that in the month of July, I think it was, 1931, when there was an election pending in the province of Quebec, the premier of the province made it clear and plain in public meeting that the province did not want relief, did not need it. There is no question about that, and I am not going to hold that against the premier of the province of Quebec, but there was an immediate change after the election, and the demand was made, and of course relief was given.

Each succeeding year agreements have been entered into with the provinces. It is true that the plans changed from time to time. They were changed on every occasion, changed because the consensus of view of the representatives of the provinces with respect to the best method of dealing with their problems was given effect to. That was clear and plain at each one of those conferences.

References have been made to offers that provinces have made to the dominion. They first offer it to the press as a rule. I get it sometimes a week later, and sometimes I never get it at all, but I read about it in the papers. It is true that offers have been made by the province of Quebec that if the dominion will pay fifty per cent of the municipalities' burdens, they will assume the other fifty per cent. Now if such a calamity should happen that after the next election our good friends opposite should be sitting on these treasury benches and this same offer is made, I prophesy that they will not agree to it. They certainly will not.

There are some municipalities in Canada having an extremely difficult time, but let me say that there are many municipalities in Canada which by efficient and careful administration are taking care of this problem and are willing and able to share their part of the burden because, in addition to efficient administration, they know as Canadians that if an unlimited fund of the taxpayers' money is placed in the hands of those who are not immediately in touch with this problem, that is if you remove it and place it in a detached position, as it were, then there is no end to the demand that will be made on the treasury of this country. I have the greatest sympathy for those who want to work and cannot get work, but let me pause for a moment to say this. I have heard it said and repeated in this house that there are a million people unemployed in Canada. That is not true.

That is a misstatement of what the fact is, in so far as there are dependable figures, and figures with respect to this matter are not dependable in any country in the world. I have heard it said that all these unemployed in Canada are unemployed through no fault of their own. That is not a correct statement, not correct by any means.

Mr. HOWARD: Pretty near it.

Mr. GORDON: Someone says, "pretty near it." But let me say this. There is no one in this house who feels more keenly than I do for the position of the man who wants to work, who wants to discharge his responsibilities, and is unable to get work, and there is no one in this house who is more ready to condemn that percentage who are living on the state to-day and who are not trying and do not want to get work; and make no mistake about it, we have those people throughout the world; that is not common to this country.

Criticisms have been made that the present government has not solved unemployment, has not spent enough money, for it comes down to that. But what country in the world has done it? Take that great wealthy nation to the south of us, and look at the huge sums, the billions and billions of dollars that they have spent, and what is the position there to-day? They are relatively much worse off than we are in Canada; that is admitted by every competent authority. What about Great Britain to-day, with the huge sums that she has spent? Has she solved unemployment? Of course she has not.

Someone says that this bill represents the total of all that the government has to offer with respect to the future regarding unemployment. That is not correct. Before this session ends other measures will come before this parliament, other measures will be presented for its approval or disapproval looking towards providing work for our citizens. But this bill is absolutely necessary for the very reason that you cannot continue along a course for some four or five years with respect to direct relief, because that is really what this bill is designed to take care of, and then stop suddenly at the end of a month or at a certain stated time. That is the real reason why the government is presenting this bill and asking for the approval of the house.

Criticisms have been made by the hon. member for St. James (Mr. Rinfret) with respect to the attitude of the dominion government regarding the situation in Montreal. I thank the hon. gentleman for the moderation of his observations, and I think that he made his speech to-day in a spirit of helpfulness. I do not wish to criticize unduly or even criticize at all the municipal administration of that great city. They have tremendous problems. I am sure if the hon. member for St. James cared to make a confession he would say that when he was elected mayor he was not in office long until he almost wished that he had not taken on the responsibility, and I think certainly he would say that he would not care to go back to it to-day. There are tremendous problems there unquestionably. But the difficulty with which I have been confronted with respect to Montreal is that we could not get from the province of Quebec, Montreal's accounts. Can you imagine a big city which could not get its accounts out for submission to us before seventeen months had passed?

An hon. MEMBER: Shame.

Mr. LAPOINTE: Hear, hear.

Mr. GORDON: The hon. member for Quebec East (Mr. Lapointe) laughs about that—

Mr. LAPOINTE: I was laughing at the "shame."

Mr. GORDON: I beg your pardon. That was the difficulty in Montreal. I should like to refer to a dispatch which appeared in the Montreal Gazette of March 20, 1935. I apologize for quoting from a newspaper as I believe this is the first time I have done so and I do not want to break my record. According to this article, this is what was said by the premier of Quebec in the legislature of that province:

> It was true, admitted the premier, that there were delays in making payments to the municipalities, but such delays were inevitable. There had to be checking of accounts, and this took time.

That is quite true. The article continues:

> Ottawa had insisted that Quebec check all municipal accounts, and the provincial auditor had been obliged to do so.

That is quite true. I continue:

> Was the provincial government now to write cheques in blank without verifying the accounts submitted by the municipalities?

Certainly not. I continue:

> Last year Quebec had paid Montreal three millions, but Ottawa had not done as much.

I hope the premier of Quebec did not make such a statement because I intend to show just what are the facts. I quote from a letter dated July 25, 1934, from Mr. Ivan E. Vallée, deputy minister of public works, to the Department of Labour at Ottawa, as follows:

I beg to acknowledge receipt of your letter of the 23rd inst. transmitting dominion government finance department cheque for $3,000,000 which it is represented is an accountable advance made by the dominion government on behalf of the city of Montreal unemployment relief expenditures.

Hon. Mr. Francœur wishes it distinctly understood that in accepting this cheque no interest obligation on the part of the province of Quebec is incurred, as we have already advanced to the city of Montreal sixty per cent of our share, and are remitting the balance up to $3,000,000 to-day together with the $3,000,000 received from you.

The hon. member for St. James knows that the accounts of Montreal got behind very badly. I do not blame him for this as I think he fell heir to many difficulties when he took over the mayoralty of the city. But the fact is that the accounts got behind so badly that representations were made to the government by both the city and the province. After consultation with my colleagues, I agreed to make an advance to the province in order that the financial position of the city might be eased. I want to make this statement because I still believe that Mr. Taschereau may have been misquoted.

Other measures are under consideration by the government at the present time but what they will contain I cannot disclose to the house. This bill is designed only to preserve the continuity of the agreements until they come to an end. I trust they will come to an end as I hope shortly to convene another meeting of the premiers of the provinces when an effort will be made to understand their present difficulties.

I should like to point out one difficulty which arises when you endeavour to correct unemployment by the erection of public buildings. If the dominion government decides to erect a public building to cost a quarter of a million dollars in a county town, a certain situation arises immediately. The plans and specifications are drawn up and are referred to in the local press. The building is started and for the first week or two the local situation is relieved. However, the news soon spreads all over the county that labourers are being paid from thirty-five to forty cents per hour, whatever the wage may be. Practically every labourer who is receiving less quits his job and comes to town. I have watched this situation for the last three or four years and this is what always happens. I do not know how it can be corrected but it is something which must be considered.

The observations I have made are designed to show the position of the dominion with respect to the agreements at present in force and what I believe to be the necessity for continuation of help to the provinces, in whole or in part, in order to take care of direct relief.

Mr. ELLIOTT: The minister stated a moment ago that within a month this form of relief could be cut off. Does he mean to imply that that position will be possible because of other measures which may be brought down to deal with the situation?

Mr. GORDON: I do not think the hon. member heard me correctly as I do not believe this form of relief can be abandoned. It may be possible to adjust it in the light of other measures which may be brought down in this house or in the legislatures, but I do not think direct relief could be abandoned entirely within such a short period.

Perhaps it would not be out of place to call attention to the improvement which has taken place in employment in Canada. I think the figures which I shall quote can be relied upon. The unemployment as reported by trade unions as of December, 1932, and January, 1933—that was the peak of unemployment—showed 25·5 per cent of the members of trade unions out of employment. In December, 1933, that had fallen to 21 per cent, and in October, 1934, it had fallen to 16·2 per cent. You can see therefore that there is an improvement with respect to labour as reported by the trade unions.

The bureau of statistics figures are I think very interesting. If we take the low point of the depression, April 1, 1933, based on the 1926 index figure of 100, we find that the low point was 76, and turning to April 1, 1934, we find that it had advanced to 91·3; and if we move to July 1, 1934, we find that it had gone to 101. On November 1, 1934, it had gone down to 100·2, and then there was a recession in January, as usually happens, to 94·4.

Let us take a glance at the figures with respect to employment by industries, because I think it is proper that attention should be called to these matters. There is at times a tendency to be so gloomy and to so spread the gloom on if it suits the occasion, that it is refreshing to take a look at the facts as they are. I would not suggest for a moment that anyone in this chamber would deliberately paint the gloomiest picture for political purposes; that is something that is unthinkable. But there are of course some people in every country who are prone to do things like that. I have very great difficulty in being good humoured when I hear them—and it is difficult indeed to disturb my good

humour. But as regards those who in the face of apparent facts continue to foul their own nest, I have very little patience. There are some vocations that provide but few moments of pleasure, but with respect to that crowd, I may tell you that if I were a hangman I would enter into service for a few moments with a great deal of enjoyment.

Let us see what the figures are with respect to industry generally. Industry generally is broken up in this statement. Showing the percentage of those employed in the following industries to the number employed by all industries, as of December 1, 1935, to be as follows: manufacturing, 49·3 per cent; logging, 6·0; mining, 6·0; communications, 2·3; transportation, 10·2; construction, 13; services, 2·6, and trade, 10·6. Taking 1926 as the index figure, we find with respect to manufacturing that on April 1, 1933, the low point, the figure had dropped to 76 per cent. In Logging it had dropped to 35·6 per cent; in mining, 91·4 per cent; in communications, 84·5; in transportation, 74·2; in construction, 54·7; in services, 102·5, and in trade, 107·6. Then we move to November 1, 1934, and we find that the index of employment in manufacturing had gone up to 92·8; in logging to 171·9. You will note that this is after the British empire trade agreements came into force. We find that in mining it had gone up to 121·2, and that also is largely accounted for by reason of Great Britain having taken over Canada's base metals; for theretofore they had been sold in the United States, before an impossible barrier was placed against our copper, lead and zinc in June, 1930.

Mr. MANION: Before the election.

Mr. GORDON: Yes. We find that on November 1, 1934, the index of unemployment in communications had gone down to 80·7; and it had risen in transportation to 83·9; in construction to 111; in services to 114·9, and in trade to 121·3. So that the percentages of increase, as between the low of April 1, 1933, and November 1, 1934, are disclosed as follows: Manufacturing, 22·1 per cent; logging, 382·87 per cent; mining, 32·7 per cent; communications, 4·5 per cent; transportation, 13 per cent; construction, 102·9 per cent; services, 11·1 per cent; trade, 12·7 per cent. In other words there was a general average improvement from the low of April 1, 1933, to November 1, 1934, of 31·38 per cent. For the clearer understanding of the above figures, I would ask that the statement from which I have quoted appear in Hansard.

EMPLOYMENT FIGURES BY INDUSTRIES

(Index figures are based on 1926 = 100)

Industry—	Percentage of employed by all industries Dec. 1, 1934	Index figure April 1, 1933	Index figure Nov. 1, 1934	Percentage of increase Nov., 1934, over April, 1933
Manufacturing	49.3	76.0	92.8	22.1
Logging	6.0	35.6	171.9	382.87
Mining	6.0	91.4	121.2	32.7
Communications	2.3	84.5	80.7	4.5
Transportation	10.2	74.2	83.9	13
Construction	13.0	54.7	111.0	102.9
Services	2.6	102.5	114.9	11.1
Trade	10.6	107.6	121.3	12.7
All	100.0	76.0	100.2	31.38

I would ask that you call it six o'clock, Mr. Speaker.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 21, 1935

The house met at three o'clock.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter:

Ottawa, March 21, 1935.

Sir,—I have the honour to inform you that the Right Hon. Sir Lyman P. Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5 p.m. for the purpose of giving the royal assent to certain bills.

F. L. C. Pereira,
Assistant Secretary.

PRIVATE BILLS

MARY ELIZABETH TAYLOR NICHOLSON

Mr. R. S. WHITE (Mount Royal) moved:

That the petition of Mary Elizabeth Taylor Nicholson, presented on the 20th instant, pray-

ing for a bill of divorce from David George Nicholson, together with the report of the clerk of petitions thereon, be referred to the standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

SARNIA–PORT HURON VEHICULAR TUNNEL COMPANY

Mr. R. W. GRAY (West Lambton) moved:

That the petition of the Sarnia-Port Huron Vehicular Tunnel Company, presented on the 20th instant, praying for the passing of an act to extend the time for the commencement and completion of a tunnel under the St. Clair river, together with the report of the clerk of petitions thereon, be referred to the standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DISMISSAL OF POSTMASTERS

Mr. TETREAULT:

1. How many postmasters were dismissed during the years 1921 to 1930, and from 1930 to 1935?

2. How many postmasters were dismissed for political partisanship upon the recommendation of the member, from 1921 to 1930, and from 1930 to 1935?

3. How many postmasters were dismissed due to changes of sites of post offices from 1921 to 1930, and from 1930 to 1935?

Mr. SAUVE:

1. From 1921 to 1930	1,147
From 1930 to 1935	882
2. From 1921 to 1930	172
From 1930 to 1935	140
3. From 1921 to 1930	187
From 1930 to 1935	119

DISMISSAL OF POSTMASTERS—QUEBEC PROVINCE

Mr. TETREAULT:

1. How many postmasters were dismissed for political partisanship in each county of the province of Quebec from December, 1921, to August 1, 1930?

2. What are the names of each postmaster in the province of Quebec dismissed between December, 1921, and August, 1930?

Mr. SAUVE:

1 and 2. See attached statements.

Argenteuil	0
Bagot	2
Beauce	4
Beauharnois	0
Bellechasse	3
Berthier-Maskinongé	2
Bonaventure	20
Brome-Missisquoi	2
Cartier	0
Chambly-Verchères	0
Champlain	3
Charlevoix-Saguenay	21
Châteauguay-Huntingdon	0
Chicoutimi	2
Compton	3
Dorchester	8
Drummond-Arthabaska	3
Gaspé	22
Hochelaga	0
Hull	1
Jacques-Cartier	0
Joliette	2
Kamouraska	1
Labelle	0
Lake Saint John	12
Laprairie-Napierville	1
L'Assomption-Montcalm	1
Laurier-Outremont	0
Laval-Deux Montagnes	0
Lévis	2
L'Islet	1
Lotbinière	2
Maisonneuve	0
Matane	2
Mégantic	6
Montmagny	5
Mount Royal	0
Nicolet	5
Pontiac	1
Portneuf	3
Quebec-Montmorency	2
Quebec East	0
Quebec South	0
Quebec West	0
Richelieu	2
Richmond-Wolfe	0
Rimouski	0
St. Ann	0
St. Antoine	0
St. Denis	0
St. Henri	0
St. Hyacinthe-Rouville	2
St. James	0
St. Johns-Iberville	0
St. Lawrence-St. George	0
St. Marys	0
Shefford	0
Sherbrooke	0
Stanstead	0
Témiscouata	6
Terrebonne	1
Three Rivers-St. Maurice	4
Vaudreuil-Soulanges	0
Wright	2
Yamaska	3

Post Office	Electoral District	Postmaster
Abenakis	Dorchester	Trefflé Laflamme.
Ange Gardien de Rouville	St. Hyacinthe-Rouville	P. Casgrain.
Angoulême	Lake St. John	Arthur Ménard.
Arseneault	Gaspé	Wm. Bertin.
Barachois de Malbaie	Gaspé	Thos. Maloney.

Statement—Con.

Post Office	Electoral District	Postmaster
Bas de L'Anse	Charlevoix-Saguenay	Herménégilde Savard.
Batiscan	Champlain	Olivier St. Cyr.
Beauceville Ouest	Beauce	Cyprien Fortin.
Belley	Charlevoix-Saguenay	Arthur Tremblay.
Bernier	Mégantic	Pierre Grégoire.
Black Lake	Mégantic	Alfred Larochelle.
Bolduc	Beauce	Lucien Garneau.
Bournival	Three Rivers-St. Maurice	Wilfred Bourassa.
Bryon Island	Gaspé	Edouard Richard.
Bugeaud	Bonaventure	J. P. Boudreau.
Cacouna South	Témiscouata	A. Lévesque.
Cap Chat	Gaspé	Auguste Miville.
Cap St. Ignace	Montmagny	Jos. Bossinotte.
Cap St. Ignace Station	Montmagny	Mrs. V. L. Bergeron.
Carleton	Bonaventure	Francis L. Cullen.
Carleton Centre	Bonaventure	Ed. Martin.
Chaleurs	Bonaventure	Angus McLean.
Chambord	Lake St. John	Didyme Laforest.
Charette	Three Rivers-St. Maurice	Philippe Picard.
Charette	Three Rivers-St. Maurice	Osias Lafontaine.
Clairvaux de Bagot	Bagot	U. Durocher.
Craig's Road Station	Lévis	Isaïe Rousseau.
Cullens Brook	Bonaventure	Phil. Henri.
Drapeau	Bonaventure	Ed. Savoie.
Dufour	Charlevoix-Saguenay	Mrs. Virginie B. Guay.
Dunham	Brome-Missisquoi	J. L. Gilbert.
Eboulements Centre	Charlevoix-Saguenay	Pierre Tremblay.
Escuminac Nord	Bonaventure	Wm. Carmichael.
Fontenelle	Gaspé	Mrs. Arthur Stanley.
Gagné	Bonaventure	Félix Cyr.
Gascons	Bonaventure	A. Brotherton.
Gauthier	Gaspé	Thos. Leblanc.
Gironde	Témiscouata	J. A. Costin.
Gobeil	Charlevoix-Saguenay	Aimé Néron.
Grande Grève	Gaspé	A. R. Minchington.
Grande Rivière Ouest	Gaspé	Thos. Thibaudeau.
Grande Vallée	Gaspé	Gilbert Caron.
Grosses Roches	Matane	J. R. Marquis.
Hébertville Station	Lake St. John	Louis Asselin.
Hemison	Dorchester	E. Grégoire.
Ilots de Newport	Gaspé	A. Grenier.
Isles aux Coudres	Charlevoix-Saguenay	J. B. Degagné.
Isles aux Grues	Montmagny	Hector Lavoie.
Kamouraska	Kamouraska	Louis Langlois.
La Baleine	Charlevoix-Saguenay	Jos. Pedneau.
Labarre	Lake St. John	Oscar Gagnon.
Labonneville	Compton	Geo. Vézina.
La Butte	Bonaventure	A. LeBlanc.
Lac aux Sables	Portneuf	Chas. St. Amant.
Langlais	Lake St. John	Adélard Renaud.
L'Anse à Fougère	Gaspé	Amédée Paradis.
L'Anse à Valleau	Gaspé	L. Boulet.
L'Anse aux Cousins	Gaspé	Chas. F. Coffin.
La Patrie	Compton	S. Gobeil.
Larouche	Chicoutimi	Jos. Larouche.
La Tuque	Portneuf	W. Juneau.
Laval	Québec-Montmorency	J. Auclair.
La Visitation	Yamaska	Hilaire Boisvert.
Leclercville	Lotbinière	Philippe Parrot.
Le Rocher	Beauce	Rémi Bolduc.
Les Eboulements	Charlevoix-Saguenay	J. A. Tremblay.
Little Cascapédia	Bonaventure	Pierre Poirier.
Makamik	Pontiac	A. Bourbeau.
Mascouche	L'Assomption-Montcalm	Jos. I. Leblanc.
Mathieu	Beauce	Johnny Doyon.
Métabetchouan	Lake St. John	G. E. Perron.
Miguasha	Bonaventure	John Caissy.
Misère	Charlevoix-Saguenay	Chas. Tremblay.
Montmorency Village	Québec-Montmorency	Jean Mathieu.
Morisset Station	Dorchester	P. Veuilleux.
New Carlisle West	Bonaventure	Alf. Gallon.
Newport Centre	Gaspé	John Cronier.
Normandin	Lake St. John	Thos. Bergeron.
Notre-Dame de la Salette	Hull	E. Lapointe.

Statement—Con.

Post Office	Electoral District	Postmaster
Notre-Dame des Bois	Compton	Philéas Gaudreau.
Oak Bay Mills	Bonaventure	H. F. Fair.
Petite Rivière aux Renards	Gaspé	Chas. Bernatchez.
Petite Rivière Est	Gaspé	Art. Lelièvre.
Petite Rivière Ouest	Gaspé	Mrs. H. Jones.
Pike River	Brome-Missisquoi	Alfred Rhéaume.
Pintendre	Lévis	Onésiphore Métivier.
Pointe-au-Pic	Charlevoix-Saguenay	Adjutor Lapointe.
Pointe Chambord	Lake St. John	Adélard Fortin.
Pointe Basse	Gaspé	Mrs. V. Arseneau.
Pointe des Roches	Charlevoix-Saguenay	H. Pedneau.
Pontbriand	Mégantic	Jos. Houle.
Port Alfred	Chicoutimi	Stanislas Menier.
Rang Ste. Catherine	Charlevoix-Saguenay	Chas. Bouchard.
Rang St. Paul	Gaspé	Philip Francis.
Ravignan	Dorchester	Thos. Bédard.
Renversey	Berthier-Maskinongé	W. Guimont.
Riou	Témiscouata	Emile Ouellet.
Rivière Caplan	Bonaventure	Mrs. M. L. Poirier.
Rivière Désert	Wright	W. J. Ardies.
Rivière des Roches	Charlevoix-Saguenay	L. A. Gagnon.
Rivière Mailloux	Charlevoix-Saguenay	Elzéar Grenier.
Robertsonville	Mégantic	Alph. Giguère.
Robitaille	Bonaventure	Mrs. Juliana Gagneau.
Ruisseau Leblanc	Bonaventure	J. L. Bujold.
Ste. Adélaïde de Pabos	Gaspé	David Duguay.
St. Adelphe de Champlain	Champlain	Victor Desmarais.
Ste. Agnès de Charlevoix	Charlevoix-Saguenay	Maurice Tremblay.
St. Aimé	Richelieu	P. Lanoie.
St. Alexis de Matapédia	Bonaventure	J. Arsenault.
Ste. Anne de Beaupré	Charlevoix-Saguenay	A. Godbout.
Ste. Anne de Sorel	Richelieu	A. Latraverse.
St. Benoit de Matapédia	Bonaventure	George Roy.
Ste. Brigitte des Saults	Nicolet	J. Albert Jutras.
St. Bruno Lac St. Jean	Lake St. John	Napoléon Côté.
St. Clément	Témiscouata	Geo. April.
Ste. Clothilde	Drummond-Arthabaska	Alf. Laforest.
St. Cyrille de l'Islet	L'Islet	Prime Cloutier
St. Cyrille de Wendover	Drummond-Arthabaska	Napoléon Cabana.
St. David d'Yamaska	Yamaska	Dr. L. W. Joyal.
St. Elie	Three Rivers-St. Maurice	F. Lafrenière.
Ste. Emélie de l'Energie	Joliette	Art. Bazinet.
St. Gédéon	Lake St. John	Thos. Lavoie.
St. Gédéon Station	Lake St. John	E. Méridée Girard.
Ste. Gertrude	Nicolet	L. J. Désilets.
Ste. Hélène de la Croix	Bonaventure	Jean L. Poirier.
St. Hilarion	Charlevoix-Saguenay	Jos. Tremblay.
St. Hugues	Bagot	Jos. Fafard.
St. Irénée les Bains	Charlevoix-Saguenay	Pitre Gauthier.
St. Isidore de Gaspé	Gaspé	Mrs. R. C. Couture.
St. Isidore Dorchester	Dorchester	Mrs. Laura D. Morency.
St. Jean de Matha	Joliette	J. O. Léveillé.
St. Joseph d'Alma	Lake St. John	G. Verreault.
St. Lazare Village	Bellechasse	J. E. Alph. Audet.
St. Malachie Station	Dorchester	J. Lacasse.
Ste. Marguerite de Dorchester	Dorchester	J. B. Gagnon.
Ste. Marie de Charlevoix	Charlevoix-Saguenay	Désiré Gaudreault
St. Mathias	St. Hyacinthe-Rouville	O. Trudeau.
St. Maurice	Champlain	Jules Morin.
Ste. Monique de Nicolet	Nicolet	J. A. Pinard.
St. Nérée	Bellechasse	Jos. Godbout, Jr.
St. Paul de la Croix	Témiscouata	Alexis Boucher.
St. Paul de Montminy	Montmagny	A. Lavergne.
St. Paul Est	Montmagny	E. Boulet.
St. Paulin	Berthier-Maskinongé	Alex. Vincent.
St. Pie de Guire	Yamaska	A. Duhaime.
Ste. Sabine Station	Bellechasse	J. St. Cyr.
Ste. Sophie de Lévrard	Nicolet	Chas. B. Poisson.
St. Sylvère	Nicolet	J. L. Janelle.
St. Tite des Caps	Charlevoix-Saguenay	Ludger Leblond
St. Ubald	Portneuf	Camille Gagnon.
St. Urbain de Charlevoix	Charlevoix-Saguenay	Fidèle Girard.
Sayabec	Matane	Ant. Rioux.
Scott Junction	Dorchester	Maurice Jobin.

Statement—Conc.

Post Office	Electoral District	Postmaster
Sherrington	Laprairie-Napierville	Césaire Gagné.
South Beach	Gaspé	Alcide Cyr.
Sully	Témiscouata	J. A. Morisette.
Thetford Mines Sub Office, Thetford Sud	Mégantic	Aloys Lemay.
Thetford Mines West Sub Office	Mégantic	Octave Turcot.
Val David	Terrebonne	L. Dufresne.
Vien	Lotbinière	Alphonse Gervais.
Warwick	Drummond-Arthabaska	Mrs. F. J. Laflèche.
Whitefish Lake	Wright	Adolphe Lafrenière.

DISMISSAL OF POSTMASTERS—MELFORT, SASK.

Mr. DONNELLY:

1. How many postmasters have been dismissed or requested to resign, for political reasons, since September, 1930, in the Melfort, Saskatchewan constituency, as constituted prior to the recent redistribution?

2. How many postmasters in the Melfort constituency have been changed on account of a change being made in the post office site?

3. What post offices in the Melfort constituency are affected by these changes?

Mr. SAUVE:

1. (a) Dismissals, 5; (b) forced resignations, 0.

2. None.

3. (a) Dismissals: Meath Park, Strong Pine, Teddington, Hudson Bay Junction; Ethelton; (b) forced resignations, nil; (c) changes in site, nil.

CROSS POINT, QUE., EXPENDITURES

Mr. MARCIL:

1. Is the sum of $14,200 which has been authorized for repairs and improvements at Cross Point, Quebec, to be expended by contract or day labour?

2. What is the nature of the improvements, and will creosoted timber and steel sheet piling be utilized and to what extent?

Mr. STEWART (Leeds):

1. By contract.

2. (a) Reconstructing west training pier, and raising and lengthening landing slip; (b) no; (c) answered by (b).

CARLETON, QUE., WHARF

Mr. MARCIL:

1. Will the work of reconstruction of the wharf at Carleton, Quebec, be done by contract?

2. How much of the $30,000 authorized is estimated to be used for creosoted timber and steel sheet piling?

3. Where is this creosoted timber and steel sheet piling purchased?

Mr. STEWART (Leeds):

1. Yes.

2. $21,000 for steel sheet piling and other iron in place in the work, including labour for placing; no creosoted timber.

3. Steel sheet piling to be purchased in Canada.

LITTLE CASCAPEDIA, QUE., BRIDGE

Mr. MARCIL:

1. Has the government of Quebec or any of its departments applied to the Department of Public Works for authority to construct a highway bridge over the Little Cascapedia river in the county of Bonaventure, and if so, has such authority been granted?

2. Has the river been declared to be a navigable river, and if so, by whom?

3. Has the Quebec government concurred in this view, and if not, has it stated its views on this matter?

Mr. STEWART (Leeds):

1. The government of Quebec applied for approval of two jetties at the mouth of the Little Cascapedia river but stated no application would be made at present for the construction of a bridge connecting them. Approval of the jetties has not been granted because the government of Quebec has not complied with requirements of the Navigable Waters Protection Act.

2. (a) Yes; (b) engineers of Department of Public Works report that the Little Cascapedia river is a navigable stream.

3. No expression of opinion has been received from the Quebec government regarding the navigability of the river.

HOWATSONS' POINT, QUE., WHARF

Mr. MARCIL:

1. Is the sum of $38,800, which the Department of Public Works proposes to expend for a deep water wharf at Howatsons' Point, Bonaventure county, the total expenditure contemplated at that place?

2. What depth of water is it proposed to attain at low tide?

Mr. STEWART (Leeds):

1. Yes.

2. 15 feet.

NEW CARLISLE, QUE., WHARF

Mr. MARCIL:

1. What work is proposed to be done at New Carlisle wharf, Bonaventure county, Quebec, for which $50,000 has been authorized?

2. Is this work to be done by contract?
3. Will creosoted timber and steel sheet piling be used and to what extent?

Mr. STEWART (Leeds):

1. Reconstruction of wharf for a length of 220 feet.
2. Yes.
3. Steel sheet piling on both sides for the full length of 220 feet; no creosoted timber.

PORT DANIEL, QUE., WHARF

Mr. MARCIL:

1. What is proposed to be done at Port Daniel wharf, Bonaventure county, for which $33,000 has been authorized?
2. Will this work be done by contract, and will creosoted timber and steel sheet piling be used, and to what extent?
3. How much has been expended on this wharf since August, 1930: (a) by day work; (b) by contract?
4. Has a petition been received from the citizens of the locality asking that this work be done by day work; if not, that local contractors be given the preference?
5. If petition was received what answer was given by the department?

Mr. STEWART (Leeds):

1. Reinforce, reballast and surface landing-head of wharf, 214 feet long, and section 80 feet long towards shore.
2. (a) Yes.
(b) Steel sheet piling on exposed faces; no creosoted timber.
3. (a) $17,590.18.
(b) $20,144.58.
4. A petition was received asking that the work be done by day labour and if not possible, that local contractors be given the preference.
5. The petitioners were informed that as the expenditure involved is over and above the sum of $5,000 the department proposes to call for public tenders in connection with this work.

CANADIAN NATIONAL RAILWAYS

DRYDOCKING OF CANADIAN GOVERNMENT MERCHANT MARINE SHIPS AT UNITED STATES PORTS

On the orders of the day:

Mr. F. P. QUINN (Halifax): Mr. Speaker, before the orders of the day are called I should like to direct a question to the Minister of Railways and Canals. My attention has been called to the fact that the steamer Canadian Highlander of the Canadian Government Merchant Marine has been drydocked and repaired in an American shipyard, and it is also proposed to have similar work done on the steamer Canadian Britisher. My question is: Why is this work not being performed in the shipyards at Halifax or Saint John?

Mr. CASGRAIN: Or Quebec?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, this matter was drawn to my attention by the hon. member and also by telegrams from a couple of gentlemen interested in the question both from the standpoint of the Canadian drydocks and the standpoint of the eastern section of Canada. I made inquiries, because I was rather shocked to receive the messages. However, I am informed by the management of the Canadian National Railways, who are also, of course, the management of the Canadian Government Merchant Marine, that it has always been their practice to have these ships repaired in the Canadian drydocks. At the present time they state however that both the drydock at Saint John and that at Halifax are tied up; they are occupied until dates beyond those which would suit the sailings of these ships. Full cargoes for Australia and New Zealand are ordered for these ships, and those sending the cargoes insist, of course, that they leave on the scheduled date.

Perhaps the best procedure would be to read the telegram sent me by Mr. Fullerton, but I have given in brief the answer made by the Canadian National Railways and the Canadian Government Merchant Marine. I sent to Mr. Fullerton copies of the telegrams I had received, and I had asked him for an explanation. We felt, naturally, that in these days of unemployment the Canadian shipyards should be occupied, unless there was some very good reason to the contrary. His reply dated yesterday, from the city of Montreal, is as follows:

Your telegram of this date. Canadian Highlander was put into dry dock at New York which is port of call for this ship—

The Canadian Highlander is the first of the ships to which the hon. member referred. The telegram continues:

—for two days for survey and underwater painting on account of dry dock at Halifax which is her home port and the only Canadian port at which she calls being occupied until end of April. Britisher will arrive new York—

This is the other ship to which reference was made—

—on 22nd and requires Canadian government survey, this voyage which will involve docking for twenty-four hours. Our Cornwallis goes in dock Saint John 25th for annual survey and repairs, and dry dock cannot take Britisher until 27th which is too late as she is scheduled

to sail from Halifax on 28th and it is imperative that she leave earliest possible date. I am advised that this is first occasion in five years that any of our ships have been dry docked at an American port. This situation arises due to fact that eastern Canadian Atlantic dry docks filled to capacity. Owing to increased volume of exports to Australia and New Zealand and numerous requests from Canadian exporters for prompt dispatch, these vessels must remain as near to schedule dates as possible. It is of course our settled policy to give all of our repair work to Canadian dry docks.

C. P. Fullerton.

Mr. JACOBS: Is that emergency work, or is it merely the painting of the ship?

Mr. MANION: They are resurveys which are ordered by the insurance companies at certain times.

Mr. DUFF: It is the annual inspection, is it not?

Mr. MANION: Yes, the annual inspection; I believe they sometimes call them resurveys. Since receiving these telegrams I have indicated to the management that it appears to me if at all possible they should so regulate the time of the resurveys, or what is termed by the hon. member—

Mr. DUFF: They must take place every twelve months; annual inspection.

Mr. MANION: Yes, it is annual inspection. I have indicated that they should endeavour to arrange the dates of the annual inspections so that they may always use our Canadian docks. The Canadian people are paying a pretty heavy subsidy, by way of deficit, on these boats.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, I know of no reason why this inspection could not have taken place earlier. It is an outrage to have these ships going to American ports to be repaired. If the people in control of the fleet had had a little forethought that ship might have been put into order a month ago.

Some hon. MEMBERS: Order.

Mr. CANTLEY: Before her present voyage, or if application had been made to the classification society they would have granted the needed delay of a month or even three months.

BUTTER IMPORTATIONS

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, before the orders of the day are called may I say that I have before me a bulletin of the federal bureau of statistics dated Wednesday, March 20, 1935, which indicates that in the last eleven months Canada imported 865,000 pounds of butter, of which quantity 530,000 were imported from Great Britain. In view of the fact that the United Kingdom generally imports butter I should like to know from the Minister of Agriculture why they are exporting to this country. Is it due to the fact that the butter is exported in transit, or are they producing more butter than they can consume? In view of the low price at which this commodity is selling this country is very much interested in these figures.

Some hon. MEMBERS: Order.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I shall accept the hon. member's observations as notice of a question, and shall prepare an answer. It may be that the butter sent in is not for consumption.

GIFT OF APPLES

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, before the orders of the day are called, although I have no desire to express any preference for any particular grade of apples, I think the thanks of this chamber should be expressed—

Some hon. MEMBERS: Order.

Mr. GOTT: I submit what I have said is more in order than the discussion which took place yesterday.

WATERLOO, QUE., POST OFFICE

PRESS REFERENCES TO ELECTORAL STANDARDS AND POLITICAL METHODS BASED ON FINDINGS OF MR. JUSTICE FOREST

On the orders of the day:

Hon. H. A. STEWART (Minister of Public Works): Mr. Speaker, before the orders of the day are called may I refer to three articles appearing in the press, to which my attention has been drawn and which refer to the administration of the Department of Public Works.

One is in the Montreal Gazette of March 21, 1935, and the heading is "Public men flayed in judge's report—Commissioner finds electoral standards in Shefford county depraved—Deserve ban of opinion—Mr. Justice Forest raps former M.P. and M.L.A. in report on Waterloo post office."

Another appeared in the Montreal Star of March 20, 1935, headed as follows, "Federal and provincial politicians in scandal—Ernest

Boivin, former M.P. for Shefford, and Robert Bachand, M.L.A. for riding, roundly castigated by Mr. Justice Forest."

The other is in the Ottawa Journal of this morning, and is headed, "Judge denounces acts in building new post office—Says electoral standards at Waterloo and Granby, Quebec, 'absolutely depraved.'"

Then follow quotations from the report of Mr. Justice Forest. I think I should make to the house at this time a brief statement in connection with this matter.

At the earnest request of the present member for Shefford (Mr. Tétreault) an order in council was passed authorizing Mr. Justice Forest to investigate certain charges or allegations in connection with the acquiring of a site and the building of a post office at Waterloo. Mr. Justice Forest was appointed a commissioner to investigate these matters under the provisions of chapter 99, R.S.C., the Inquiries Act. His report is dated February 8, 1935. It was translated and forwarded to the Justice department for such action as might appear proper in view of the statements contained in the report.

The articles in the press give no indication as to the date when the post office was constructed or these sites acquired. The sites were acquired in September, 1925, and October, 1927, and the building was completed in the year 1929. I think it proper under the circumstances to table a copy of the report both in English and French.

Hon. W. D. EULER (North Waterloo): May I ask the Minister of Public Works to state that the Waterloo of which he speaks is not Waterloo, Ontario?

Mr. DUFF: It was someone's Waterloo.

Mr. STEWART (Leeds): I think that the articles in the press have sufficiently protected my hon. friend from North Waterloo.

GIFT OF APPLES

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): On a question of privilege, may I ask the leader of the government to extend the thanks of this chamber to the hon. members who have recently distributed apples to the members of this chamber?

Mr. SPEAKER: With very great deference to the hon. member for South Essex, I think he is quite out of order. I called him to order previously with respect to this matter, and I thought that had disposed of it. I do not think it adds to the dignity or decorum of the house to bring up the matter on a question of privilege.

[Mr. H. A. Stewart.]

AIR MAIL SERVICE

On the orders of the day.

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, may I ask the Postmaster General (Mr. Sauvé) if it is true that the air mail service costs his department about $64 for each letter carried?

Hon. ARTHUR SAUVE (Postmaster General) (Translation): If the hon. member for Laprairie-Napierville will kindly place his question in writing, I will answer it.

Mr. DUPUIS: I move that my question be passed as an order for return.

POST OFFICE DEPARTMENT

On the orders of the day:

Hon. ARTHUR SAUVE (Postmaster General) (Translation): During the discussion of the estimates of the Post Office Department, the hon. member for Témiscouata (Mr. Pouliot) asked for the following information:

1. A list of the post offices closed since August 7, 1930.
2. A list of the post offices opened since the same date.
3. A list of the post offices the location of which was changed since August 7, 1930.

The hon. member also asked how many postmasters had been appointed since August 7, 1930, on a permanent or a temporary basis.

I now have pleasure in laying on the table of the house the information requested regarding post offices closed, post offices opened and changes of location, from August 7, 1930, to February 28, 1935.

As to the list of permanent and temporary postmasters appointed during that period, it cannot be completed before March 30, perhaps later, even by having the staff work at night. That will give the hon. member an idea of the enormous task he is putting us to, involving the examination of 4,300 files.

UNEMPLOYMENT AND FARM RELIEF

FURTHER PROVISION FOR CARRYING OUT RELIEF MEASURES, MEETING FINANCIAL CONDITIONS AND MAINTAINING CREDIT OF DOMINION AND PROVINCES

The house resumed from Wednesday, March 20, consideration of the motion of Hon. Mr. Gordon for the second reading of Bill No. 41, respecting relief measures.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to say a word before the question is put.

Mr. SPEAKER: The reply of the Minister of Labour closed the debate on the second reading.

The house divided on the motion (Mr. Gordon), which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Arsenault
Arthurs
Baker
Barber
Baribeau
Barrette
Beaubier
Belec
Bell (St. John-Albert)
Bourgeois
Bowen
Cahan
Cantley
Carmichael
Chaplin
Church
Coote
Cowan
Davies
Dickie
Dorion
Duguay
Dupré
Duranleau
Edwards
Ernst
Esling
Fortin
Fraser (Cariboo)
Gagnon
Ganong
Gardiner
Garland (Bow River)
Geary
Gobeil
Guthrie
Hackett
Hanson (York-Sunbury)
Hay
Irvine
Johnstone
Larue
Laurin
Lawson
Loucks
Lucas
Luchkovich
Macdonald (Kings)
MacMillan (Saskatoon)
MacNicol
Macphail, Miss
McDade
McGillis
McGregor
Moore (Châteauguay-Huntingdon)
Morand
Mullins
Myers
Neill
Peck
Perley, Sir George
Pickel
Plunkett
Porteous
Price
Quinn
Robinson
Ross
Rowe
Ryerson
Sauvé
Senn
Shaver
Short
Simpson (Simcoe-North)
Simpson (Algoma-West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Speakman
Spencer
Spotton
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sullivan
Sutherland
Swanston
Tétreault
Thompson (Simcoe-East)
Thompson (Lanark)
Turnbull
Weese
White (London)
White (Mount-Royal)
Willis
Wright—103.

NAYS

Messrs:

Ahearn
Beaubien
Bertrand
Boucher
Boulanger
Bradette
Brasset
Brown
Campbell
Cardin
Casgrain
Deslauriers
Desrochers
Donnelly
Dubois
Dubuc
Duff
Dumaine
Dupuis
Elliott
Fafard
Ferland
Fiset (Sir Eugene)
Fontaine
Gershaw
Golding
Gray
Hall
Hanbury
Hanson (Skeena)
Heaps
Howden
Ilsley
Jean
Lacroix
Lapointe
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
McKenzie (Assiniboia)
McKinnon
McPhee
Marcil
Mercier (Laurier-Outremont)
Michaud
Mitchell
Mulock
Parent
Perras
Pouliot
Reid
Rennie
Rhéaume
Roberge
Sanderson
Séguin
Taylor
Thauvette
Totzke
Veniot
Verville
Weir (Macdonald)
Woodsworth—62.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Halton)
Bell (Hamilton)
Bell (St. Antoine)
Bennett
Beynon
Boyes
Burns
Bury
Charters
Cotnam
Embury
Garland (Carleton)
Gott
Harris
Jones
Kennedy (Winnipeg)
Laflèche
MacDonald (Cape Breton)
McGibbon
McLure
Maloney
Manion
Matthews
Murphy
Perley (Qu'Appelle)
Pettit
Rhodes
Spence
Stevens
Tummon
Weir (Melfort)
Wilson
Casselman
Factor
Mercier (St. Henri)
Raymond
King
Euler
Mills
Butcher
Fournier
Blair
Hurtubise
Bothwell
Goulet
Rutherford
Jacobs
Maclean
McIntosh
Girouard
Urquhart
Power
MacInnis
Young
Chevrier
Moore (Ontario)
Stewart (Edmonton)
Munn
Bouchard
Ralston
Fraser (Northumberland)
Malcolm
St-Père
Motherwell
Vallance
Howard.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted for the motion.

Mr. PERLEY (Qu'Appelle): I was paired with the hon. member for North Vancouver (Mr. Munn). Had I voted, I would have voted for the motion.

Mr. WEIR (Melfort): I was paired with the hon. member for Melville (Mr. Motherwell). Had I voted, I would have voted for the motion.

Mr. MANION: I was paired with the hon. member for Ottawa (Mr. Chevrier). Had I voted, I would have voted for the motion.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted, I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted against the motion.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted, I would have voted against the motion.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted, I would have voted against the motion.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted against the motion.

Mr. MACKENZIE KING: I was paired with the right hon. the Prime Minister (Mr. Bennett). Had I voted, I would have voted against the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted against the motion.

Mr. MacINNIS: I was paired with the hon. member for Queens (Mr. McLure). Had I voted, I would have voted against the motion.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted against the motion.

Mr. BOYES: I was paired with the hon. member for West Elgin (Mr. Mills). Had I voted, I would have voted for the motion.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). Had I voted, I would have voted for the motion.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted, I would have voted for the motion.

[Mr. R. K. Anderson.]

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted, I would have voted for the motion.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted, I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted for the motion.

Mr. BEYNON: I was paired with the hon. member for North Waterloo (Mr. Euler). Had I voted, I would have voted for the motion.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I would have voted for the motion.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted, I would have voted for the motion.

Mr. GORDON: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). I did not notice that the hon. member was in his place and I refrained from voting. Had I voted, I would have voted for the motion.

Mr. GIROUARD (Translation): I was paired with the hon. member for Richmond-Wolfe (Mr. Laflèche); otherwise, I would have voted against the second reading of this bill.

Mr. HURTUBISE (Translation): I was paired with the hon. member for North Renfrew (Mr. Cotnam). Had I voted I would have voted against the second reading of this bill.

Mr. GOULET (Translation): I was paired with the hon. member for Carleton (Mr. Garland); otherwise I would have voted against the second reading of this bill.

Mr. ST-PERE (Translation): I was paired with the hon. member for South Hastings (Mr. Tummon); otherwise I would have voted against the second reading of this bill.

Mr. FOURNIER (Translation): I was paired with the hon. member for East Edmonton (Mr. Bury); otherwise, I would have voted against the second reading of this bill.

Mr. GORDON: Mr. Speaker, I move that you do now leave the chair for the house to go into committee on the bill.

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

On section 1—Short title.

Mr. POULIOT: Can the minister answer the question which was put to him yesterday with regard to the classification of the unemployed by trade and profession, and can he tell us what has been done in that regard since 1930, in accordance with the statement made by the Prime Minister in April last year?

Mr. GORDON: The question raised by the hon. member receives the attention of the provinces, who send to the dominion returns monthly as to their unemployed, particularly of course with respect to those who receive relief. No body has been set up for the purpose of continuously keeping a classified index of people unemployed, as the hon. gentleman has suggested.

Mr. POULIOT: How could the Prime Minister arrive at the conclusion that something had been done if nothing was done?

Mr. HEAPS: Can the minister give the house figures showing the number of persons receiving relief at the first of January during the past five years? If he cannot give the figures as at January, the latest figures will do.

Mr. GORDON: To answer that question one would have to go into the details of the figures supplied by the provinces. However I will undertake to see that in so far as we have a return or information with respect to the question the hon. gentleman will be supplied with that information, or it will be put on the record without great delay.

Mr. HEAPS: That will be satisfactory. I should like to have these figures because so many conflicting statements have been made with regard to the amount of relief given, that I think a definite statement should be made showing the number of persons on relief on the first of January each year for the last five years. It would be very useful. I wish to discuss briefly the question of relief from the standpoint of the municipalities. During yesterday's discussion on the second reading several hon. members appealed to the government to come to the assistance of the municipalities more generously than during the past twelve months. I do not think there is any doubt that the responsibility which is being undertaken by the municipalities throughout Canada to-day is bringing many of them and some of the provinces as well to the verge of bankruptcy, and they cannot any longer carry the load. We see what is taking place in the urban centres. Montreal is compelled to go to the legislature for power to impose new forms of taxation, which will no doubt be onerous to a large section of the poorer people in that city. In Winnipeg the municipal authority has gone to the legislature seeking methods of imposing taxation upon those who are capable, in their opinion, of bearing an additional burden, and the move is being met with strenuous opposition by people who would be the last to object to carrying a share of the load in maintaining the unemployed. In British Columbia we see the city of Vancouver compelled, through circumstances over which the municipalities have no control, to do something to curb expenditures, and they are reducing interest on bonded indebtedness. I believe that the burden created last year by the present government in reducing grants to the provincial governments has placed a most unfair load on the municipal authorities. I do not think there is excuse for the action of the government in giving a fixed sum to the provincial governments, who in turn must reduce their grants to the municipalities. So far as Winnipeg was concerned it meant one of two things; either they had to reduce the amount of assistance given to those out of work or they had to impose additional taxation. They chose both; they made a reduction in the way of relief and also imposed further taxation on the people. Yesterday the Minister of Labour, in a very apologetic and moderate speech—except for one part, where he said he would like to hang a few dozen people if he had the opportunity—

Mr. GORDON: I do not want to be misunderstood. I said I would not mind seeing a few people hanged, but I did not specify who they were. I only referred to that class of people who were constantly spreading gloom.

Mr. LAPOINTE: Give some details.

Mr. HEAPS: Apart from that remark, the minister's speech was apologetic and moderate. However, he did say that the municipalities administering the funds would realize their responsibility as a result of the reduction of the grant given them by the federal government. Now the minister himself admitted that the municipalities are faced, not with a civic but with a national emergency, and when the emergency is national I think the national exchequer ought to come to the assistance of the municipalities much more generously than is the case at the present time. It can be said truthfully that there is no municipality in Canada that is either directly or indirectly responsible for unemployment among its people. If that is so, if our municipalities are in no way responsible for unemployment, why should a tremendous burden be imposed upon

them—municipalities that are almost on the verge of bankruptcy. I do not know whether the federal grant to the municipalities is at present equivalent to twenty-five per cent of the amount of relief given. If the federal government were to give a fair proportion of relief to all municipalities, I do not think that a federal grant of fifty per cent would be at all too much. In fact, as pointed out by my hon. friend from Bow River (Mr. Garland), in connection with the old age pensions the federal government grants seventy-five per cent. Yet if you want to argue the question of responsibility under the British North America Act, it might easily be argued that under that act the whole burden of old age pensions might be considered a provincial and local responsibility.

My purpose in rising at this time is to find out whether the government will not relax somewhat in their determination not to do anything on behalf of those nearly bankrupt municipalities and come to their assistance by giving a much larger contribution to the provincial authorities who in turn will thus be able to hand over a larger contribution to the municipalities and ease their burdens, so that they may be in a position to give a wider form of relief than is being given at the present time. I can assure the minister that the average municipality in this country is just as anxious to see that the funds of the dominion government are administered in an efficient manner as is the dominion government itself. In fact I have sat on several of those bodies that have been charged with the responsibility of handing out government relief, and when the relief is being administered representatives from the federal government have sat in on those bodies to see that the money is properly spent. There is no reason why under present circumstances the same representatives of the federal government should not sit in with these municipal and provincial bodies and see that the federal money is properly and wisely spent. I hope the Minister of Labour and those who are responsible for the Relief Act will at this time state that they are prepared to do something more than they have been doing so far to relieve the municipalities of an almost intolerable burden.

Mr. MITCHELL: I want to lend some support to the contention put forward by the last speaker, the hon. member for North Winnipeg (Mr. Heaps). I have not changed my opinion since first coming to the House of Commons. The intolerable position that the municipalities find themselves in at the moment is in my judgment a problem that should receive the earnest and careful consideration of both federal and provincial governments. The municipalities are living under a taxation system that was devised to deal with their problems as we saw them fifty or sixty years ago. Old age pensions, mothers' allowances, education and the many other ramifications of social services, including road building as an hon. member suggests, that have been set in motion have in my opinion had too much of the responsibility in connection with them placed upon the shoulders of the municipalities when one considers the system of taxation that is in vogue in those municipalities. Then we come along to the depression which is national in its character, and I have always felt that in a national emergency a problem of this description should be within the orbit largely of the federal government, because it has many avenues of raising money of such a character that the burden does not fall most heavily upon the shoulders of those least able to bear it. We must remember this—and this is an important problem that must be faced in the next few years—that all these added charges have rested squarely upon real estate or, in other words, upon the shelter that is necessary for one living within the confines of an urban centre. I believe we have just about reached the saturation point, when one views the question from what I consider the best interests of our people, of the enormous charges that are being placed upon our real estate. We find in Ontario many municipalities going into default because of the burdens brought about by the charges underlying the relief programs of the respective governments.

There is another more important phase of the question that should be taken into consideration. I have always held the opinion and I have not changed it that if you give a man a sense of ownership of a home it has a stabilizing effect upon the country. These enormous taxation charges upon real estate are absolutely crippling the building and construction industry, and producing a nation of renters instead of owners. Freezing the building trades and checking the normal expansion of housing facilities, must lead inevitably to slum conditions. Taking a long view of the problem I do not think there is any argument about that.

I listened yesterday with interest to the remarks of the hon. member for Quebec South (Mr. Power) when he said that Quebec was willing, provided the federal government would do likewise, to assume fifty per cent of the relief obligations of the municipalities in that

province. I have before me a resolution that I wish to read into the record and which was passed by my own city council, referring to a similar proposition from the Ontario government. This resolution, which is under the signature of J. F. Berry, city clerk of Hamilton, Ontario, reads:

Whereas the premier of Ontario has publicly stated that the Ontario government would be willing to assume half the relief costs of the province providing the dominion government would pay the other half.

And whereas the burden of relief now being imposed upon the municipalities has reached the point where it has become a very grievous burden and cannot much longer be borne.

Therefore be it resolved that this council place itself on record as approving of the offer made by the premier of Ontario and as urging the dominion government to accept the Ontario premier's offer at the earliest possible date; and that this council join with other municipalities in making representations to this end to the dominion government without delay; and that a copy of this resolution be forwarded to the dominion members of parliament for the city of Hamilton and county of Wentworth.

It might be said that the representatives of these municipalities are endeavouring to get out of what is probably their definite responsibility when one analyses the provisions of the British North America Act. That may be argued with some soundness, but I think hon. members and the provincial governments will agree that in the provision of relief for our people we have reached a stage where an entirely different policy should be set in motion from the viewpoint of raising revenue to provide for those who through no fault of their own find themselves at the moment unemployed. I remember stating in this house three years ago that the proper policy to be followed in regard to this important matter would have been to pay as we go, to carry the whole relief burden out of income, to place the responsibility where in my judgment it rightfully belongs, that is upon the shoulders of those who are best able to bear it. I believe the federal and provincial governments have the machinery to carry out such a policy, whereas on the other hand in the case of the municipalities the whole weight of the burden of debt rests upon land itself with practically only one avenue of taxation. I would like the government, before this bill finally becomes law, to give very serious consideration to the position that the home owner finds himself in, to the position that the municipality finds itself in, to the inevitable consequences of increasing taxes on land and to the question of lending its cooperation to those provincial governments that have suggested cooperative proposals, with the end in view that the load be taken off the municipalities and that the basis of taxation for the provision of relief be placed upon those people who are better able to bear the burden and in avenues of taxation where the responsibility and the weight do not rest too heavily upon the lower paid salaried group in the dominion.

Mr. DONNELLY: Mr. Chairman, as I understand it this bill is being passed in order to provide money for unemployment and farm relief. Coming as I do from a farming community I wish to protest most strenuously against unemployment and farm relief being linked together. In my opinion farm relief has nothing whatever to do with unemployment relief. I believe the people on the farms in western Canada, for example, have been busy for three hundred and sixty-five days in the past year; the people on the farms are not unemployed, and so far as I can see there is no good reason why they should be so classified and why funds should be provided for unemployment and farm relief in order to enable those people to subsist. To my way of thinking unemployment alone should be dealt with throughout the whole dominion; a sum of money should be divided up between the provinces, according to population if you like. For example, if you give the province of Saskatchewan $100,000 a month probably the province of Ontario should receive four times as much and the province of Quebec three times as much because of their greater population. But after this money has been divided among the different provinces in that way another problem arises in connection with the people who are working hard three hundred and sixty-five days in the year but who are getting nothing for their work. These people have suffered a catastrophe, and that situation should be dealt with entirely apart from any other situation, just as we would do if some calamity such as a flood or a fire occurred or, as has happened, if a drought should occur. Money should be granted these people in order to help them out of their difficulties. As it is these people in western Canada have been classified as unemployed, whereas they have been employed all through the year though because of the unkindness of providence they have received nothing for their work.

I have heard hon. members say in this house that in the past year this government offered to take over and pay for farm relief in the dried out areas of western Canada. I want to say that I do not think the government of Saskatchewan or of any western

province would object to this government taking over the relief in the province, but they did object to this government taking over only a certain area. Who was to go out and divide the province into the dried out area and the productive area? Who was going to divide it into different sections? Anyone who has travelled over that country knows it would be absolutely impossible to divide any one of the three western provinces into dried out areas on the one hand and productive areas on the other hand. Even if that were done, what would you have? You would have one organization set up by the dominion to handle relief in the drought areas and another organization set up within the province to handle relief outside the drought areas. That would mean one would be competing against the other, an absolutely impossible situation. I do know, however, that this government were told that if they wanted to take over the direct relief for the whole province of Saskatchewan they could do so and welcome, and I do not think the province of Manitoba or the province of Alberta would object if the government offered to do the same thing. They were told more; they were told that if they wanted to do so they could take over the relief in connection with seed grain and feed for the whole province of Saskatchewan, or they could take over both forms of relief, but we say it is impossible to divide the provinces into two parts, one the drought area and the other outside the drought area.

According to press reports we were told by the Minister of Agriculture that the government were going to take over this drought area in Saskatchewan and call it a sort of federal reserve. In other words the people in this area were to be taken over by this government and disfranchised. The government were to take over the schools, roads and everything else; they were to do all the work in the district, and it was to become a sort of federal district, or an Indian reserve. Then I suppose we would have the Minister of Agriculture sitting in his teepee handing out treaty money to these people. All I can say to the Minister of Agriculture, who made that proposition to us, is that those people out there in that dried out area are just waiting for election day, and when that day comes it is not going to be a fight at all; it is going to be a slaughter. It will be Custer's last stand, as far as this government is concerned, because these people do not think they should be linked up with the unemployed. They are not unemployed, and if they receive grants from this government they consider they have a right to that assistance. Why should they not receive grants from this government? For years they have been paying bonuses to industry throughout the dominion. Look at the report of the investigation of 1931. In that year the province of Saskatchewan paid $26,000,000 to the other provinces by way of bonuses to industry because of the tariffs placed on our goods, mind you not tariffs on goods coming into the country but extra prices they had to pay, totalling $26,000,000 which went as a bonus to industry outside the province of Saskatchewan. Why should they not receive $5,000,000 or $10,000,000 or even $15,000,000 a year now that providence has been unkind to them and for the last two or three years they have had to endure hardships and calamities and the terrible conditions we have had in the west?

I object to this bill for one other reason. Under its terms money is also provided for what we call Canadian Cooperative Wheat Producers Limited. For the last four years both in the house and in the committee I have endeavoured to obtain some statement as to the activities of this government in connection with Canadian Cooperative Wheat Producers Limited, how much money they have advanced for this gambling in wheat which has taken place on the Winnipeg grain exchange, how much they have lost and how much they have made, but I have been unable to get any such statement. Some say it is not gambling, that it is only speculating; some say it is not even speculating, that it is only supporting the market. Whatever you choose to call it there is only one name for it in the minds of the public and that is pure gambling in wheat, nothing more and nothing less. I want to say that the time has come when we believe that before we grant any more money for this purpose we should have a statement from this government as to where they stand in regard to wheat. How much wheat have they; how much have they bought and what profit have they made? It must be remembered that the government told us that if there was any profit it would go to the pools, to Canadian Cooperative Wheat Producers Limited and not to the government, but that if there was any loss that loss would be stood by the government. What an enviable position for any man to be in. He has all the money he wants handed over to him by the government. If he makes a profit it is his; if he loses money the government shoulders the loss. Then the pools say, "We are handling it; it is not the government." I cannot understand that at all. I always

thought the man who paid for the music called the tune but apparently the government are paying the money while the pools are doing the work and taking all the credit or blame. I fail to see the reason for that situation. If the government are paying the money they are responsible. I think we should have some statement from this government, before they ask us to vote money for this sort of thing, in regard to Canadian Cooperative Wheat Producers Limited and in regard to the money that has been granted them for speculation in the market, or to support the market or whatever they choose to call it. I repeat that to my way of thinking this is nothing more or less than a gamble. We have estimates with regard to wheat; I do not wish to go into that however, but wish simply to enter my protest with regard to granting money for this work without first having a report of what has been done in the past or where we stand at the present time.

Mr. WILLIS: Mr. Chairman, for a few moments I should like to refer particularly to certain remarks which have been made by hon. members who have preceded me in this discussion. First I should like to refer to the observations of my good friend, the hon. member for North Winnipeg (Mr. Heaps). At the outset he indicated that this government had refused grants to the province of Manitoba for certain purposes.

Mr. HEAPS: I never said anything of the kind.

Mr. WILLIS: All right; refusing grants, if you like, to the municipalities.

Mr. HEAPS: I never said that at all.

Mr. SPENCE: Then you said nothing.

Mr. WILLIS: In any event the hon. member will probably admit this much, namely, that he was complaining sufficient money was not placed at the disposal of the province of Manitoba, or the city of Winnipeg, for purposes of relief.

Mr. HEAPS: If I may interrupt the hon. member—

Mr. WILLIS: Yes, I should be glad to listen.

Mr. HEAPS: What I did complain about, and do complain about, is that the federal grants to the municipalities are totally insufficient.

Mr. WILLIS: That is quite the same thing. The hon. member states that the grants are insufficient. I speak as one coming from the drought area of Manitoba, where in every year for the past while in order to carry on we have had to get grants from the federal treasury. While within the past few months I have not received a statement from the Minister of Finance, so far as the drought stricken area of Manitoba is concerned, I will say that that area has never to my knowledge requested money by way of advances from the federal government for these purposes which has been refused.

It is true that there are many who complain; it is true, also, that there are many who think the relief they are receiving is not sufficient, and there are those who are very happy to go around the country and state that the federal government is to blame. May I at this time mention something which in my own constituency I have had to point out thousands of times. The matter of administration of relief is entirely within the hands of the municipalities and the provinces. The amount of feed or the amount of relief of any kind which a man may receive is entirely in the discretion of the municipality in which he lives. They give him what relief they like; they have sole authority. The question of the money available is one which is arrived at through the municipality requesting the province for advances, and the province, in turn, requesting advances from the federal government. May I say that so far as the area with which I am connected is concerned, those advances have never been refused.

The hon. member for North Winnipeg states that the advances made by the federal government are equivalent only to 25 per cent of the total amount of relief. Again speaking only for my own area may I say, without making any mathematical calculation, that the advances are at least 75 per cent of the amount expended. This condition is due to the fact, first, that you have the direct advance made by the federal government, following which we have the federal government loaning one-third to the province, so that the province may pay its share of direct relief. Then, following that we have the federal government loaning to the province the remaining third, which in turn is handed on to the municipalities for purposes of covering the share payable by those municipalities.

In effect the federal government is, first, paying one-third outright, and then loaning the other two-thirds to the provinces for the purpose of paying the remainder of the relief moneys. The province, in turn, hands on one-half of the two-thirds to the municipality, and

in consequence the federal government assumes the responsibility for the whole 100 per cent. It pays one-third direct; it loans the other two-thirds,—and if you think the federal government will ever get that two-thirds back I am not in agreement with you.

Mr. HANBURY: Why do they not recognize that in their policy?

Mr. WILLIS: Their reason for not recognizing it is quite apparent. It is apparent that they should not, at this time, because if they recognized that policy they would be called upon every year for continuous write-offs. Consequently the municipalities and provinces have not urged that it be done, because it would increase the amount of relief which would have to be paid.

Mr. HEAPS: Does the hon. member know whether interest charges have been met on these obligations?

Mr. WILLIS: They have been met on these obligations according to the statement of the Minister of Natural Resources for the province of Manitoba.

Mr. HEAPS: They are paying their obligations?

Mr. WILLIS: Yes, but there is however still outstanding at the present time, on which nothing has been paid, a principal amount of over $13,500,000.

Mr. HANBURY: I should like to ask whether the hon. member thinks any member of the government would subscribe to the statement he makes, namely, that the government do not expect to have returned to them the money that has been loaned to the municipalities.

Mr. WILLIS: Certainly not. Certainly no member of the government would subscribe to that statement, and, further, that is not the exact statement which I made. My statement was my own personal opinion that eventually there will have to be a write-off, and that at the present time the government would be foolish to say that they were going to have such write-off, or even consider it. In addition to that, speaking of the contribution made by the federal government, may I say that that government pays one-half of the reduced freight on the live stock—cattle, horses and equipment—going out of the drought stricken area to the feeding grounds. Then, further, it pays 50 per cent of the reduced freight on those desiring to come back into the area. Then, further, it carries on a program of public works and pays 100 per cent. During the year 1931-32 there was a program of public works carried on for the cost of which the federal government paid 40, 50 or 60 per cent, the balance being paid by the provincial government or by the municipalities.

The hon. member for North Winnipeg points out that a number of municipalities are bankrupt. That is perfectly true. They must necessarily be bankrupt, due to the fact that no taxes are being received. The people who have had no crops cannot pay taxes; therefore the municipalities are bankrupt. May I point out to him however that the tax on the individual has not increased. It may be that the municipality has a greater debt, but it is also true that the taxation upon the individual farmer has not increased. The hon. member for North Winnipeg suggests that in this matter of loans the federal government might very well step in—

Mr. HEAPS: In the matter of administration.

Mr. WILLIS: In the matter of administration, yes. May I say that at the present time there are employed in the area from which I come some three so-called administrators of the province of Manitoba. These three men go throughout the constituency administering relief and making decisions in regard to amounts of relief to be given. If the hon. member's suggestion were carried out the work would be exactly duplicated, because in each case the federal man would have to go with the provincial man and check and double check. But that is not possible. If it were it would double the cost of administration of relief. Therefore it could not properly be done. The question of the administration of relief should be placed where it properly belongs, namely, with the provinces and municipalities themselves. To place it elsewhere would be to upset the whole system of government in this country.

The municipalities have their councils, their administrations which are familiar with the individual farms and localities. They are elected for that purpose. That is why it is necessary that they carry on administration, as they have done in the past. The question as to whether or not the municipality should be responsible for the administration of relief is well indicated by the fact that it has always been responsible for that administration when it has been necessary from year to year. As the relief has increased the jurisdiction of the municipality has not changed. The additional amount has merely

increased the work the municipality must do. The provinces, again, must have a responsibility in regard to administration, because the municipalities are the creatures of the provinces, and in each case get their authority from the provincial legislatures. Only the provincial legislatures have control over the municipalities; the federal government could not interfere with them because it has no jurisdiction. Further, it has no method of control.

The hon. member for Willow Bunch (Mr. Donnelly) spoke particularly regarding relief for the drought area. If I understood him correctly I believe he suggested that we should divide relief by population. He suggested, if I heard him correctly, that we should divide it by population. No system I think could be worse than that. In the province of Saskatchewan, for instance, from which he comes, how would he like to have the same amount of relief administered there as might be administered in one of the maritime provinces where relief was not necessary at all? Relief must necessarily be measured by need, and by nothing else. It must be measured by the needs of the people who are there.

The hon. member also spoke in regard to the classification of the farmer population as unemployed. I think I am correct in saying that that classification is not used. I have seen the documents coming into my municipalities, and they state on the bottom of each document, "For the drought area only." The advance of $135,000 had nothing to do with the drought area. The administration of relief in the drought area is an entirely separate matter, and if the hon. member for Willow Bunch will look up the administration in his own municipalities I have no doubt he will find that that is true.

The hon. member for Willow Bunch says that it is impossible to draw a dividing line to indicate where the drought areas are. But in the province of Manitoba that is precisely what has been done. He says it is impossible, but it has been done there for three years. Also, for his own province of Saskatchewan I have seen the map with the red marks on it indicating drought areas A, B and C, and the present government in the province of Saskatchewan has agreed to that map just as its predecessor did. In the province of Manitoba the lines marking the drought areas were drawn by the provincial government. I had the good fortune to come down with the provincial treasurer and in conference with him the drought areas in the province of Manitoba were defined by municipal boundaries. Drought area A is that in which for five years there has been no crop, and drought area B is the area which has not been afflicted so badly. Therefore the question of division is a very simple one which has been tackled and conquered in my hon. friend's own province, as well as in the province of Manitoba.

Finally the hon. member for Willow Bunch says that this government has been gambling in wheat. There was never a government in Canada which did so much for the wheat grower in Canada as this one has done in supporting the wheat market. I was much interested in seeing John I. McFarland before the banking and commerce committee and in hearing some of the hon. gentlemen opposite cross-examine him in regard to gambling in wheat. It was most amusing. I should rather see that again than go to any funny show I ever saw. My good friend Admiral Duff was one of those who cross-examined Mr. McFarland in regard to puts and calls, options and hedging. That is the difficulty with many people; they cannot distinguish between supporting the wheat market and gambling in wheat. It is true the process is technical. It is difficult to understand unless you have grown up with it at your table every morning. The wheat situation is difficult to understand unless you have lived in western Canada where every day on the street you must be prepared to talk about the price of wheat that day, what it opened at, what it was at twelve o'clock, what it closed at, and what the prospects are. So far as the question of supporting the wheat market is concerned I do not suppose that outside the hon. member for Willow Bunch there is any farmer in western Canada who would not say that the greatest help the wheat growers of western Canada have received from any government was the support given to the wheat market by Mr. McFarland in the way he did. Undoubtedly it is true that if that support had not been given, wheat would have gone down twenty or twenty-five or thirty cents a bushel more than it did. And let hon. gentlemen realize this, that where you have a man with only a few bushels on which he depends for his living, and when as a result of the government's support of the wheat market he receives from ten to twenty-five cents a bushel more than he otherwise would have done, that makes all the difference between him being self-supporting and becoming a charge on the Dominion of Canada. That is the difference,

and that is the way it operates. On the other hand, if he is a big operator he is even worse off, because his losses will be greater.

It was interesting to note too that the hon. member for Willow Bunch pointed out in his remarks that Saskatchewan has not received proper treatment in the matter of relief. The actual relief which has been advanced to Saskatchewan is some $20,740,000, and loans have been granted amounting to $38,000,000, which gives us a grand total advanced to Saskatchewan, from which the hon. member comes, of $58,743,000. Those are the advances that have been made by this government since 1930. If you will look at it carefully that seems to be a very large sum of money. But in addition to that, there is the amount which was given to the province of Saskatchewan under the wheat bonus. Saskatchewan grows more wheat than any other province or any other area of similar size probably in the world, and on that account Saskatchewan received a larger share of the bonus. That is important to consider in view of the remarks made by the hon. member for Willow Bunch, who if I remember correctly voted against that bill, which makes it all the worse.

The question of relief, and the question of federal government assistance in the matter of relief, is one which most of the municipalities and most of the provinces and a large number of individuals would like to shoulder upon this dominion government, but may I point this out to the house and the country, that every individual, every municipality, every province and every dominion has its limit of credit beyond which it cannot go, and if we are to continue to play Santa Claus to the municipalities and the provinces, not based on the question of need, then sooner or later we are going to face in this country a situation similar to that with which other countries are now faced. Canada has perhaps the unique record of having paid all its debt according to the letter of the contract, with the result that we have been able to borrow money at as low a rate as two per cent, resulting largely from that splendid record. Some people point to Great Britain as having done well in regard to its contracts. May I point out that Canada has done much better. Great Britain herself has not honoured all her debts to foreign countries in the way that Canada has, and that is one reason why the credit of this country stands so high. The dominion government, due to the fact that the municipalities are spread from one end of this country to the other, is not in the same position to defend itself as the municipalities and the provinces, and I am kept busy going around the country refuting statements that the dominion government has not done this or won't do that, and in ninety-nine per cent of these cases the charge is quite unfounded. The dominion government itself is partly to blame for that because it has been too silent on these matters. It should come out openly and blazon forth what it has done and is doing rather than stand back and receive the criticism which comes upon the individual member who must go around and defend the position of the government.

The advances made by the federal government to Manitoba have been satisfactory, and its advances for the drought area in the province from which I come have been satisfactory. It is not dealing with the administration of relief, and I do not think it should. While I myself have complained in regard to certain small matters of relief by the federal government, I think that by and large the handling of the relief situation in the drought areas on behalf of this government has been nothing less than excellent.

Mr. VALLANCE: Mr. Chairman, when the house met at three o'clock I had no intention of taking part in a discussion on this bill but I have been forced into it. I had hoped that a discussion on wheat would not take place at this time. There is on the order paper a resolution standing in the name of the Prime Minister (Mr. Bennett) which reads:

> That it is expedient to bring in a measure to establish a board to be known as the Canadian grain board—

When that board is established the functions now performed by Mr. John I. McFarland will have to be done away with. I should like to know whether the government is in a position to give to the house and to the country a full statement of the operations of Mr. McFarland in the wheat market. The resolution to which I have referred may be only a red herring drawn across the trail in an effort to prevent a discussion of this very important question, but whether or not that is so I think the house and the country should have a statement of these operations. The hon. member for Souris (Mr. Willis) referred to the tactics or antics of some hon. members on this side of the house in the banking and commerce committee when John I. McFarland was before that body. Ever since this gentleman started his operations I have stood out boldly in support of the contentions of the government. I did not believe then that it was in the interests of the grower that the position of Mr. McFarland in the wheat market should be divulged and I maintained

that position both in the committee and in the house. However, I think the time has now come when this should be done. We are nearing a general election and I do not think this house should be asked to pass this bill before it receives a statement either by the Prime Minister or the minister now piloting this bill through the house.

I say quite frankly but kindly that I do not think the gentlemen sitting before the minister or the minister are in a position to give this statement. John I. McFarland should be sitting in front of the minister. There are only two men in this country who can give satisfaction in this matter, John I. McFarland and the Prime Minister. It is regrettable that the Prime Minister is not in his place and it seems impossible to have Mr. McFarland occupy a seat in front of the minister. I was hoping that when we reached the resolution standing in the name of the Prime Minister we would have the assurance of the government that the bill which would be based upon it would be sent either to the agriculture committee or to a special committee. That would enable all hon. members, all growers and all marketers to appear before the committee to give evidence. In my opinion the government would be well advised to give us some assurance that this resolution will actually be brought before the house. If the resolution is not to be proceeded with, then the government should immediately make known their position in the wheat market. I believe the Minister of Labour (Mr. Gordon) will admit that I am reasonable in asking him whether he can give us an assurance that this resolution will be dealt with before the house prorogues.

I realize that the bill passed last year expires on the last day of this month and, therefore, this bill must be passed before that time in order to provide funds for Mr. McFarland to operate. When I saw the nature of the resolution standing in the name of the Prime Minister I did not expect any discussion of this matter under the present bill. I should like the minister to state if it is the intention of the government to give us the information for which we are asking. Up until the present I did not think it was in the interests of the grower—he is the individual in whom I am interested—to make known the position of the government. As the hon. member for Souris has said I think the government should feel that they should make a statement to the country.

Can the minister tell us how much has been spent for unemployment relief and how much for farm relief? It was rather annoying to hear the hon. member for Souris say that the government did not expect that much of this money would be paid back. I have heard the Prime Minister say the same thing.

Mr. WILLIS: I never made any such statement.

Mr. VALLANCE: If the hon. member did not, the Prime Minister did. He made that statement in reply to a question asked by myself. When the first relief measure was before the house the Prime Minister was confronted with the statement that a note was attached to the application for relief. The Prime Minister said that no such thing existed but he admitted his mistake when he saw the actual form. As I have stated many times on the floor of this chamber, if we do not expect to collect this money, why have those receiving relief carry the burden of worry? There are still some Canadians who worry over their inability to meet their obligations. In conclusion, I hope that the minister is in position to state that he or someone else will give to the committee the true position occupied by John I. McFarland in the wheat market.

Mr. CHURCH: Mr. Chairman, even though I am a member from one of the larger municipalities in Ontario, one which is probably more interested in this particular bill than other municipalities, I would not have spoken had it not been for the fact that economic liberalism has failed to give us any constructive ideas or offer a policy to take our people off the dole and restore Canada to the Canada of Sir John A. Macdonald's day. At that time Canada was a country of property owners, both large and small; it was not divided as now into a country of those who have and those who have not. At that time the entire means of production of the country was not in the hands of five or six people. I want to pay tribute to the government for what they have done since the great disaster which occurred in 1930. If this parliament had followed the example of the British parliament we would have had a united legislature on social matters like this, which would have acted to try to keep our people from relief. We have a war in Canada to-day against unemployment and famine, great masses of the population being on relief. Surely no one will deny that this is as dangerous as any enemy in warfare. When an enemy is at our gates we mobilize our whole military organization and repel the

invader; we are united; we present a united front to the enemy. But when we have what is as great a menace to the country, hundreds of thousands of the population on the verge of starvation or in poorhouses through unemployment, we are divided, playing politics, the politics of the ins and outs, as we have witnessed this afternoon. I am surprised especially at my hon. friend from East Hamilton (Mr. Mitchell), who is more or less a sportsman. I spoke in his riding for the late Colonel Rennie. The constituency of East Hamilton is a large industrial one and this government has done a good deal for the people there. I am therefore surprised that my hon. friend should have voted against the second reading of the bill, because industrial society in the country was entirely built up by the Conservative party's policy of protection from 1878 down. What is that policy? It is a protection policy which if brought up to date will remove the working population from the dole, the pension and all that sort of thing. But what have my hon. friends opposite done, those of the official opposition and those to the left of them? Some voted for the second reading and others did not. I had expected that the hon. member for East Hamilton would vote for it, because if there is a riding that owes something to the present government for what it has done in the way of relief it is that riding.

I congratulate the minister on what he has done in connection with relief and unemployment. I know no man who has shouldered a greater responsibility than he has taken on in the last five years, with the exception of our great leader who is not with us to-day, a martyr to overwork. As a former president of the Union of Canadian Municipalities, I can say that the municipalities are having a hard struggle. The minister is doing the best he can to cope with a very difficult situation and I congratulate him. He is a very able minister as well as an able lawyer, and more than that he is a man with a warm human heart. In the past four years he has done a good deal for relief in this country. I remember sitting in this house and hearing the former Prime Minister make statements declining aid to the municipalities with regard to relief which disappointed me at the time. I do not see him here to-day. I was glad to see that he received yesterday such a tribute from his supporters, and it is better for a man to have such tributes paid him when he is living. He is a man who has given a great deal of study to these particular social matters, but I regret that when he was head of the government from 1921 to 1930 he did nothing to deal with the situation. I constantly brought this matter to the attention of parliament. The other day I read various resolutions, which I will not read again, all bearing on this subject, but the right hon. gentleman said that he would not give a five cent piece to the people of Ontario, and that included the riding of East Hamilton. I put certain questions to his Minister of Labour, Mr. Heenan, as late as February 25, 1929. I asked him questions in regard to relief, not only on behalf of the municipality I represented but as one of the former officers of the union to which I have already referred. In 1929 I asked this question:

1. Has the government any plans for providing employment for the great body of the unemployed?
2. If so, what are they and what action will be taken, and when?

Mr. Heenan:

1. The question of unemployment is one for the provincial governments.
2. Answered by No. 1.

On March 5, 1930, after deputations had been here from the provinces and the municipalities, following two years of relief, and having made a request for assistance, this was the question I asked:

1. Has the government any plans for providing useful employment for the great body of the unemployed?
2. If so, what relief will be afforded?
3. Will the government accept the offer of the province of Ontario to provide one-third of the cost of certain forms of relief in connection with the federal and municipal authority; if not, why not?

What happened then? The leader of the government of that day rose in his place and objected to the question; a page of Hansard was taken up with an effort to have my question ruled out of order. There was in South Toronto at one or two missions and in other places a line-up of the unemployed begging for meals, but we were told that that unemployment was a matter for the provinces and the municipalities to deal with. Even Sir John A. Macdonald and Sir Wilfrid Laurier never had to face the conditions with which this government has had to contend since 1930. In 1928 I brought the matter to the attention of the house and asked the government to appoint a commission similar to the one that had been appointed in the United States, under the chairmanship of Senator Couzens, who was mayor of Detroit. This committee sat many months at Washington and they summoned to Washington some of the greatest men in engineering, agriculture and the banking system. They studied the question of

seasonal unemployment, casual unemployment and technological unemployment growing out of the inroads of science and the machine. When it was proposed in this house that we should have a commission of that kind, what did the government of that day do? They not only refused to accede to the request, but Mr. Heenan actually informed me that there was no unemployment on the index findings, and if any it was a matter for the municipalities. Mr. Willard, president of the Baltimore & Ohio Railway, at that time made this statement before the Senate committee at Washington:

> It is a dangerous thing to have a large number of unemployed men and women—dangerous to society as a whole—dangerous to the individuals who constitute society. When men who are willing and able to work and want to work are unable to obtain work, we need not be surprised if they steal before they starve. Certainly I do not approve of stealing, but if I had to make the choice between stealing and starving, I would surely not choose to starve—and in that respect I do not think I am much unlike the average individual.

The commission in the United States took evidence from all sources, the railways and other organizations, the municipalities, boards of trade and chambers of commerce, for the purpose of evolving a policy, three years before the depression started.

I wish now to say a word or two with regard to the remarks made by the hon. member for North Waterloo (Mr. Euler) in connection with the municipalities. The municipalities have only a limited number of ways of raising revenue, though they render to the federal government many invaluable municipal services in connection with police protection, fire protection and so on. In the case of Ottawa they get a subvention, and the state legislatures of the United States also give the capital cities a subvention. The same is true in Australia. Yet in the industrial centres large numbers of people are out of work, and a considerable proportion of them who own their own homes cannot pay their taxes. The municipalities are finding it very difficult to balance their budgets. I plead with the government now as I have pleaded with them on many occasions to come to the support of the municipalities. The government have many ways of raising revenue directly and indirectly which the municipalities do not have, and I plead with the government of the day to do something along those lines. The government that preceded this one declined to do anything for the municipalities, but the present government decided to give one-third in cooperation with the provincial and municipal authorities.

Hon. gentlemen in the extreme left corner think they are the only labour party in this house. I represent a labour constituency. With my friend the hon. member for Parkdale (Mr. Spence) and others in the city council I helped to put through an eight hour day, pensions and many other things. Some of this was done in 1909, twenty-six years ago. Hon. gentlemen who sit in the extreme left corner do not constitute the only labour party in the house. The Conservative party in this chamber has done more for labour than has any other party. There is for instance the Workman's Compensation Act, the national policy and public ownership. This party has built up industrial society by its policy of protection, of giving our own work to our own workmen, of maintaining our own markets for our own products. This has been a consistent policy of the Conservative party; it has been applied consistently from 1878 down to the present day to ninety-eight per cent of the people. Where would the agricultural workers who constitute fifty per cent of the population be to-day if we had free trade or semi-free trade as preached on the prairies by some hon. gentlemen in the official opposition and some in the extreme left corner? In those days when Mr. Crerar was in the house, we heard about the plight of the poor grain growers and we heard charges about the elevator combines, and middlemen, grain exchanges, and the transportation combines. The poor grain grower had more to fear from these big interests west of the great lakes than they had from the manufacturers east of the great lakes through the middlemen, the elevator combines, the transportation combines and the grain exchanges. Where was official liberalism at that time? It was lined up with the free traders, the semi-free traders and some of the Progressives who proclaimed that the grain-growing industry was a north south industry and not an east and west industry to the markets of the world. There should be some honour among politicians as among sportsmen, but there does not seem to be as much. You can please nobody; you get no credit for anything. The government receives no credit for what it has done, but I admit that is only human nature. However, if ever there were a government that honestly endeavoured to do something for the working people of this country in this emergency, it is the one that now sits on this side of the house.

We are asked by the ex-Minister of Justice (Mr. Lapointe), who is very fond of dealing with the constitution if our legislation was

constitutional. What did the government do in the fall of 1930? They were faced with the British North America Act, that comedy of errors; they could do very little or nothing, but they very fortunately found three or four words "peace, order and good government." It was very fortunate for the working people and for the municipalities that those words were found by a very able lawyer, the Prime Minister, and another able lawyer with him, the Minister of Labour. Many municipalities will agree that they would have been bankrupt had it not been for the clause "peace, order and good government" and the blank cheque. The blank cheque is really not a blank cheque at all. Hon. gentlemen opposite refused to give a five-cent piece for relief. I have before me some fifteen or sixteen pages taken from Hansard of those years, but I shall not read them here. Hon. members can read those statements in Hansard of the questions and answers. Where would the municipalities be; where under those conditions would be the city of Hamilton from which the hon. member for East Hamilton comes? They would not have had one cent for industry or relief in that city had it not been for the money they got through the present Minister of Labour carrying out the policy of this party. At that time it was contended in the house by the ex-Minister of Labour that I was always talking about unemployment; I was told on one occasion that I was preaching blue ruin by persisting in bringing up the question. One hon. gentleman, I think it was Sir Henry Drayton, said that I had need to. I was one of the heads of a municipality for many years and I know a municipality, irrespective of politics, must appreciate what this government has done. As a follower of municipal institutions in this country, I believe that was only a start in the right direction. The government should go over the books and see whether something cannot be done further for our struggling municipalities.

In this particular case I was hoping that we would hear some constructive ideas about handling this problem of unemployment from economic liberalism and from hon. gentlemen in the extreme left corner. I appeal to the opposition and through them to the provinces, to the churches and boards of trade to help the government pull the country out of the mire in regard to this particular problem of relief. Let us not depend upon the British North America Act, the constitution; the people cannot buy bread by depending on the British North America Act; the butchers and grocers will not give them food because of it. The welfare of man in such days of universal want as these transcends the future of any political party, and it is too bad all parties do not unite on common ground to solve our problems free of partisanship. This course has been followed in England. On a social measure private members there were allowed by the government the other day to give their views freely and they were invited to do so. One or two of the ministers got up in the British house and opposed the government bill. The whips were called off and the members were allowed to express themselves freely. Here we are to-day, two hundred and forty-five members sitting in a committee presided over by our very popular deputy speaker, and I say that we as a committee should forego politics and do as they did in England regarding this problem—get down to brass tacks and see what should be done. Every time I hear the opposition talk, they plead the constitution; dissertations on the British North America Act are made by the ex-Minister of Justice and others.

THE ROYAL ASSENT

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

Mr. Speaker, 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,

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An act to amend the Interpretation Act.

An act to amend the Representation Act, 1933.

An act to amend the Pension Act.

An act to amend the Precious Metals Marking Act, 1928.

An act to amend the Electricity Inspection Act, 1926 (French version).

An act respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.

An act respecting the appointment of auditors for National Railways.

An act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An act to amend the Fisheries Act, 1932.

An act respecting the additional protocol of 1935 to the Canada-France Trade Agreement of 1933.

UNEMPLOYMENT AND FARM RELIEF

FURTHER PROVISION FOR CARRYING OUT RELIEF MEASURES, MEETING FINANCIAL CONDITIONS AND MAINTAINING CREDIT OF DOMINION AND PROVINCES

The house resumed consideration in committee of Bill, No. 41, respecting relief measures—Mr. Morand in the chair.

Mr. WOODSWORTH: The very unsatisfactory nature of an omnibus bill such as the one before us has been well illustrated by the nature of the debate, if one may so dignify it, that has taken place.

Mr. CHURCH: May I say that I had not concluded my observations. Hon. members opposite have been very fond of quoting the British North America Act, but they have not suggested any constructive policy whereby our people could be taken off the dole and put back to work. They put me in mind of Mr. Boythorn in Bleak House, and the canary which he fondled on his finger all the time he was shouting his most lurid denunciations. Hon. members opposite are content to sit back and talk about the constitution all the time at a time when people are starving and in a position where some have to go to the poor house. After all is said and done, the duty of the hour is to get the people off the dole and back to work. The reconstruction of our country and a higher standard of living is the object before the party on this side of the house. Industry in Canada, in short, must re-adapt itself to the home market, and this is a most complicated process. It cannot be done by individual effort

We know that in England to-day they are developing their land to the point where they will not have to depend on a foreign food supply. We know that in this country national trade is decreasing, and it would seem that a revival of industry could come only from a greater consumption in the home market. We must push the country forward by planning for a higher economic and social standard, and in this effort we want a united country and the support of every part of it. This is a national work and must have the support of all people. The situation calls for national sacrifices instead of parliamentary repartee and playing the game of the ins and the outs. Church, state, the press and individuals will have to unite and no class or function should be left out. Every person should be in it.

I should like to say a word or two as to what should be done to bring our men off the dole, and place them in a position whereby they may have homes. A short time ago in his budget message the President of the United States said that their people would have to be taken off the dole. He said the policy followed was uneconomic and foreign to their constitution. I believe in this country we could do very much by way of reconstruction. We could do such work as Italy is now doing —reforestation, river improvements, drainage, irrigation, sewers, roads, work on river banks, provision for domestic water supply, harbour work, schools, municipal services, water supply for farmers, house building and work of other kinds. A similar program of work could be adapted to this country and to our circumstances on a third basis, with municipal and provincial authority on a large construction policy, which would be better than the dole.

The dole is only temporary; it is not a final remedy. People want work and that is the only lasting cure. Franchises from the people giving charters to corporations involving the assumption by such corporations of corresponding debts and obligations. These corporations owe a debt to their creator, the public. They should repay this debt to the public from whom they have derived their powers. If they fail in their duty, the community which created them would be justified in stepping in and exercising some control over their future actions.

The Conservative party has always been constructive. It has to its credit reform legislation such as the eight hour day bill and legislation for a minimum wage. This party is equipped by position and temperament to bring better order into Canadian life and industry, and to check the abuses which affect the consumer and the labourer. We should remove some of the unethical business practices, and bring protection up to date, eliminate the abuses to protect consumer and labour, and prevent further burdens and artificial barriers being placed on business. The main problem to be solved in Canada is unemployment. That is the main problem because no scheme of pensions and no scheme of unemployment insurance is a substitute for work and wages and the desire of people to work. Employment is the only real agency by which the nation's wealth can be distributed. Without consumption, production is a mere waste, and work and wages for all is the main agency of distribution. This party was the founder of protection, and it should dedicate itself to solving this problem of distributism and of getting people off the dole and back to work

Agriculture has always been traditionally associated with the Conservative party. As a party we stand for the further development and preservation of the home market for agriculture. Our own markets for our own products, and our own work for our own workmen is our policy. Agriculture is the oldest of our industries from the point of view of employment. It has been content to choose order instead of anarchy, and industry can be made amenable to similar treatment.

The solution of our economic problems calls for large sacrifices. The war made a great difference. The vast amount of voluntary work done and the great outburst of patriotism in times of danger are sure signs in Canada of a national spirit which will help the government to cope with the present dangers. Are we as a people, equal to our problems? For thirty years we have neglected to notice the inroads upon unemployment of science and the machine. A manufacturer puts in a machine for the specific purpose of lowering costs and to enable him to undercut his competitors at home and aboard. The item which is reduced by the machine is labour alone. That is the very purpose of the machine, to put people out of work, and it has succeeded admirably in its purpose. The machine has meant a large increase of female employment and a decrease of male employment. Formerly it was assumed that the labour displayed by the machine would be absorbed in other forms of work, but that is an absurd position for industry to be in because the welfare of man is the first duty of the government and of civilization. I believe that the Conservative party and the opposition should unite to solve the problem of distributism.

The Liberal party of this country to-day represents the last stand of economic liberalism in Canada. It relies on these social measures being declared unconstitutional. It is the party that for nine years had a chance to do something along these lines, but only dilly-dallied. It is the same party which in England opposed the factory acts and free schools, and the liberation of the trade unions. To-day it concentrates its attention in Canada on the tariff and on wider markets, when wider markets are not available. The Liberal party in Canada is an advocate of social reform, pensions, doles, social insurance—all these are in its platform for the higher life, but they refuse to give to this house a plan or platform to grapple with the cause and effects of the social revolution and with those economic factors which deprive men of the bread of their own production and the fruits of their own toil. I believe that free trade and the error of the Liberal party's policies have been to the detriment of agriculture and of industry in Canada. Many children are in factories to-day who should be in school, and most of the young offenders who come before our courts are underprivileged children many of them from poverty stricken homes, who from birth have never had a proper chance.

I believe we should give some credit to the gentlemen who sit in the far corner of the house because in 1928, 1929 and 1930 they did bring to the attention of the government the question of unemployment and they supported a policy of direct relief. But some of them are not consistent and do not vote with the government of the day. I would ask them to remember that the government has done the best it could, faced with that comedy of errors called the British North America Act, a relic of the ox-cart days. Faced with that act I do not see what further they could have done. We are told that we have to suffer all these social evils because of the British North America Act, because certain wise men away back in 1867, whose vision was poor and shortsighted, unloaded the provincial system on us as opposed to the federal system as they have it in England and the United States. A lot of the things we have to-day were unheard of in 1867. There were no joint stock companies in 1867, no telephones, no power development, no NRA., no air lines, no radios, no old age pensions, no social insurance, no eight hour day; nor had many of the great discoveries been made in science, physics and biology, with which we are familiar to-day. Are we to assume that the fathers who lived in the past have left us adequate machinery to deal with the problems that these new discoveries have brought us? As I said the other day, one of the most important things we must do before we can solve any of these problems in a practical way is to have constitutional and parliamentary reform in this country. The greatest problem they have in England to-day is constitutional and parliamentary reform, and they cannot make social progress without it. The authors of the British North America Act did not play bridge or squash or badminton, but they left us this relic, the British North America Act, and as a result the unemployed have to suffer and we can solve no economic or social question. It would be far better for us to face the fact that that act is in need of reform. Unemployment and relief have now reached their peak, and the tide is receding very rapidly. I believe that before

spring is over, with a housing and reconstruction policy, the peak of relief will have been passed, and I hope that men will be getting back to work.

Mr. WOODSWORTH: May I say to my hon. friend from East Toronto (Mr. Church) that when he did not rise after we suspended our sitting for royal assent, I assumed he had finished his speech. What I began to say was that the unsatisfactory nature of an omnibus measure of this kind has been very clearly illustrated by the kind of debate, if it may be so dignified, which has taken place upon it. My colleague from North Winnipeg (Mr. Heaps) began by speaking of unemployment relief, stressing particularly the plight of the industrial worker and the difficulties that confront the municipalities. Next we had two hon. members referring to the troubles in the dried out areas, this having nothing whatever to do with city problems. The next speaker referred to the wheat arrangement, thus introducing a new topic. In this connection I think we might very easily refer to the loans to the Canadian Pacific Railway which were made several years ago under a measure of this kind. We could refer also to the writing up of the assets of the insurance companies, and we could make mention of the peace, order and good government provisions. Reference might also be made to the financial position of the various provinces. In these circumstances I submit it becomes almost impossible to focus attention upon any one measure and to secure the opinion of the house in that regard. The hon. member for East Toronto has expressed himself as being disappointed with the labour members not voting in favour of the measure. I did not speak on the second reading of the bill, but I think I can say that we voted against the motion for second reading for three reasons. First of all, we voted against the motion because of the inadequacy of the measure to meet the actual needs of the people. No indication is given that there is to be adequate relief, and no mention is made of what the relief works, if any are contemplated, are to be. Next, the bill provides for the exercise by the government of very wide powers, much wider than should be granted by a measure of this kind. These questions have been threshed out in the discussion of similar measures during the past two or three years and I do not intend to repeat the arguments then advanced. Still further, we voted against this motion as a protest against the lack of assumption by the government of anything like responsibility for the national emergency which now confronts the country.

The hon. member for Souris (Mr. Willis) stated that the administration of relief should be placed where it belongs, with the municipalities and provinces. As I understood him, he implied that the responsibilities for relief lay essentially with the municipalities and the provinces, and that certainly is implied by the preamble of the bill now before us. Under these circumstances I should like to read once more what has been read into the record again and again. I would not do this were it not for the fact that the hon. member for Souris has sought to condone the inaction of the government. I should like to quote from a speech delivered by the Prime Minister (Mr. Bennett) in Calgary on June 12, 1930, as follows:

> But this is a new country, and there is no excuse for unemployment in Canada if a government does its duty.

Is that true or is it not true? If it was true when the Prime Minister spoke in Calgary in 1930, surely it is true in 1935. The Prime Minister was then asking to be entrusted with authority to carry on the affairs of the country, and he said:

> I say to you, my fellow citizens, my fellow Canadians, speaking to the larger audience, I am convinced this problem has now ceased to be local and provincial and has become national in its importance.

I contend that if that were true in 1930 it is just as true in 1935, and perhaps more so. The Prime Minister was then seeking a mandate from the people. He said:

> I propose that parliament shall formulate a definite plan for permanent relief, and that parliament, as representing the people, shall deal with this national problem and provide amelioration for the condition in order that next winter the Canadian people may not be facing the crisis that is upon us without having a remedy at hand.

After five years in public office he brings forward a measure of this kind, a measure which is inadequate and which we should not be asked to support. In voting as I did, I did not repudiate the action of the dominion government in offering relief. If that were the question before us I would hold up both hands for the motion. What I tried to do with my vote was to protest—I think this is true also of my colleagues—against the inadequate manner in which the government is providing for the needs of the unemployed, and the fact that after five years they have gone back on the solemn pledges made to the electorate in 1930. It is only

within the last few months that the Prime Minister in his radio speeches repudiated in the very strongest language the idea of the dole. I agree with the hon. member for East Toronto that we should endeavour to place all our people in constructive work of some kind. That has not been done, and the minister sits silent when we speak of the necessity of a further extension of public works. We cannot get any action from the government, and I contend that we were justified in voting against the motion as a protest against the lack of a policy on the part of the government.

There is another matter to which I should like to refer; it comes under the heading of peace, order and good government. A couple of nights ago we were discussing the estimates of the Minister of National Defence (Mr. Stirling). In giving a reason for the maintenance of an army in this country, the minister said:

> In addition it fulfils another day, that the force should be distributed throughout Canada in the military districts in such a way that if called upon by the provincial governments in time of stress and strain, through civil disturbances within their own boundaries, they can render such assistance as may be necessary to support the police forces of the country.

We spend something like $20,000,000 upon the military forces of this country and the mounted police, which is a semi-military force. My contention is that if a fraction of this sum were spent upon setting in motion certain constructive forces which would take care of the unemployed we would be much further advanced. Under peace, order and good government we are giving to the government the power to protect and maintain the credit and financial position of the dominion or any province thereof. I say again that if the unemployed were absorbed into industry, that if a greater purchasing power were given to the people, it would provide the best means of maintaining and protecting the financial position of the dominion and the provinces. It seems to some of us that the government is more solicitous in protecting the credit of the country than it is in protecting the welfare of the people. Only the other day I had a letter from a friend living in the constituency of Souris. He referred to a district which I knew very intimately thirty or forty years ago. He spoke of the run-down condition of the houses, the outbuildings, the machinery and the interior of the homes, he spoke of the despair and the demoralization of people who a few years ago were prosperous farmers; and his concluding sentence, if I remember rightly, was, "and the young people have nearly all moved away." Now how can we have a prosperous country with conditions of that kind? Someone might very well say that drought is a dispensation of Providence, and that we cannot be held responsible for the climatic changes in the drought area. That is true, but we are responsible for the morale of the people, to see that it is maintained; and the morale of the people can be maintained only as they are given some hope for the future. But so far we have had no clear-cut plan which indicates that the people in these vast areas may have any immediate hope.

I submit that of much greater importance than providing for military and police protection or providing for the maintenance of the credit of this country is provision for the people to live decently. To-day we are in practice trying so to arrange matters that no one will starve. There are occasional instances of actual starvation, and there are more instances of suicide caused by anxiety. But on the whole we are trying to see to it that no one actually starves. But we are keeping tens of thousands of our people on the bare subsistence line and allowing them this subsistence only at the expense of what we have considered a part of their manhood and womanhood—their self-respect. We degrade them by giving them charity. I would ask why it could not be arranged that every unemployed citizen should have a pension as a matter of right, not of charity but as a matter of right. In recent times we have been rather inclined to laugh at the Townsend plan in the United States, where an individual has come out and urged that a very large pension should be paid to everyone over the age of sixty. Probably Doctor Townsend has altogether overdone his proposals along this line, but the fact that he has such a large following is the result not merely of a demagogic appeal but of the realization by the people that the ordinary citizen has certain rights to a decent living.

I am not advocating what has come to be known as the "national dividend" as a part of the social credit scheme, as put forward by Major Douglas. I confess that I do not understand the theories of Major Douglas, but I do say that that phase of it contains a real measure of truth, and because it does it is appealing to tens of thousands of people. Why should the people who have helped to build up this country and are now thrown out of work through no fault of their own not obtain a reasonable pension, if you like to call it that, as a matter of right? Even

this afternoon I heard someone refer in rather disparaging terms to the unemployed as if they belonged to an inferior class. I protest against that way of viewing unemployment; I protest against our thinking that anything given in the way of unemployment relief is a form of charity. It should not be so regarded. I quite admit that in the old days under normal conditions when a man was out of work it was usually through some fault of his own; he was shiftless or a drunkard or something of that kind, and naturally the municipality was required to take care of him. But that is not the situation to-day with regard to the great majority of those who are unemployed, and for that reason the burden should not be loaded on to the municipalities. It is not a local matter. The municipalities have had nothing to say with regard to the vast immigration to this country. They have had nothing to say with regard to trade conditions in this country, with regard to the war and its consequences, with regard to the financial arrangements of the country. The dominion government is responsible for these general policies, and that being so I take it that the dominion government should assume responsibility for the effects of these policies. It is not fair now to load the responsibility on the provinces or the municipalities.

It may be thought that in advocating something in the form of a general pension I am simply making an appeal to the gallery. I hope that those who know me will not think so; I hope they will not think, either, that I am guilty of a kind of impossible idealism. Not at all. I say that we are actually giving food, clothing and shelter and in some instances medical assistance, besides light, heat, and requirements of that kind, to large numbers of these people, but we are giving this assistance grudgingly in the form of charity, and that policy is having the effect of creating all sorts of friction between the municipality and the province and the dominion and at the same time demoralizing the people who receive the assistance.

Someone may claim that those receiving relief ought to have contributed to some unemployment pension scheme. Well, we have had no such scheme to which they could have contributed and you cannot initiate such a scheme that will at once meet the existing situation. On the other hand the great majority of those people who are now unemployed and in need of relief have contributed in the past to the welfare of the country, working in our factories, our shops and offices, in our railways and other constructive work. These are the people who are unemployed to-day. Why should we load the whole burden of the depression upon this one group of people? I do not think that anyone in Canada has a right to even a comfortable income so long as these people are on the dole, and much less do I think that any man has a right to enjoy a large income so long as large numbers of our people can subsist only by asking for charity. This question goes deep; it is fundamental in our national life. Is the whole machinery of Canadian government being maintained in order to maintain the status quo, in order that we may preserve a condition under which a few are deriving great benefits while equally worthy Canadians are being not only thrown out of work but thrown upon charity? I submit that after five years in office the government should be held responsible for making provision for the situation which confronts us.

The hon. member for East Toronto rather deprecated the fact that measures of this kind immediately become party measures. We all feel sorry that this is so, and in the newspapers in the last few weeks there has been a good deal of talk of a national government as a way out. Personally I am strongly opposed to a national government such as is contemplated by those who advocate it.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: Undoubtedly at the present moment that proposition would be repudiated, as the applause would indicate, by both the present government and the official opposition. Certainly it would be repudiated by the group in this corner. But behind the urge for a national government there lies a genuine desire to meet real need. It is felt by many that the present parliamentary system is failing to function properly in providing for the needs of the people. I see the ex-Minister of Justice shaking his head.

Mr. LAPOINTE: I agree with my hon. friend so far as the present government is concerned.

Mr. WOODSWORTH: Yes, and thereby he brings this right back to party lines. I am trying to get away from party considerations. At the present time the government says that it is responsible and it will not permit us to offer much in the way of suggestions or real cooperation. If we cooperate, we must cooperate on the government's own terms, they having all the sweets and emoluments

of office and all the rest. At present, with an election in sight, the Liberals are of course feeling very cocky and self-confident, and they would refuse to cooperate because in a very short time they have bright hopes, especially after last night—

Mr. GARLAND (Bow River): They are not so bright this morning.

Mr. WOODSWORTH: Well, perhaps they are not so bright the day after, but they have bright hopes that before so very long they will have the exclusive responsibility for the government of the country and they again will enjoy all the sweets and emoluments of office to the exclusion of any other party. In this way we saw backwards and forwards, and for this no blame can be attached to any member of the house individually. I think most of the members are concerned about such a problem as this, but as we are lined up in two or three, if not antagonistic, then rival parties, it becomes almost impossible for us to discuss a question of this kind on its merits. It was only the other day I was re-reading a most interesting report presented to the British house in 1928 by the Right Hon. the Earl of Donoughmore, chairman of a special committee on a constitution for Ceylon. In that report they advocated that the parliament should adopt more or less of the county council plan or that carried out by the League of Nations; that is, that they meet together on common ground and discuss matters in departmental committees; the committee takes the responsibility for action and in that way they overcome the necessity for anything like purely party decisions. In view of the present emergency we might very well consider some modification of the organization and rules of this house so that we might get down to real business. The emergency, as the hon. member for East Toronto has said, is comparable to that which arose at the time of the war, and it ought to be met in some such spirit as was then manifest.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BARRETTE (Translation): Mr. Chairman, we are now considering bill 41 for the relief of unemployed throughout the country. The preamble of this bill is as follows:

Whereas the provinces may require further assistance in carrying out necessary relief measures and in meeting financial conditions as the same may arise; and whereas in such event it is in the national interest that parliament should support and supplement the relief measures of the provinces and grant them financial assistance in such manner and to such extent as the governor in council may deem expedient.

Do you not think, Mr. Chairman, that we should take this opportunity to avail ourselves of the benefits offered by this bill, in order to support an institution that is truly national by its nature: I am referring to the great French university, of this beautiful university which we have in this country, the University of Montreal.

Some years ago, full of confidence in the future of our race and of our province, a few courageous men decided to enrich our metropolis with as perfect a university as could be justified by the place that we occupy in the world, as the second largest French city.

It was a grand undertaking, but it was also a plan that sprang from the purest patriotism, from the legitimate pride of our race and from our desire to give the intellectual elite of our province the means of improving their university training and teaching, in order to produce a greater number of highly qualified men, so that the people of our race may take their rightful place in the intellectual and economic spheres, and also to rouse dormant talents, to bring them to light and make them contribute to a larger extent to the intellectual and material progress of Canada.

Seven million dollars have been spent on that building and since three years all work has been stopped for lack of funds; seven millions engulfed in that undertaking; seven millions which remain unproductive. The future of our race is linked with the development of our higher studies. If we suffer from a marked inferiority wherever education counts, in the industrial field as well as in the technical departments of the Dominion or even provincial government, it is because we always lacked the financial means to properly develop our higher studies and produce capable men which among our people are ever present in a latent state.

I do not wish to establish as a principle that only educated men may succeed in the material sphere. That would mean that all our business men and all those who acquired wealth owe their success to their higher education. No, that is not true, but it is a fact that all those who succeeded owe it mostly to their ability in surrounding themselves with educated and competent men whose efforts they directed for their own benefit. Well, our

English speaking fellow citizens had among their own people a larger number of competent men whose services they utilized to build up their fortune; and we unfortunately realize that among our own people, those who succeeded owe it to their association with another race than their own, not because we are less intelligent, but because we are not as well prepared for the acquisition of wealth.

The distinguished rector of Laval University of Quebec, Mgr. Camille Roy, sounded the alarm in his last lecture before the Canadian Club in Quebec. He attributed our inferiority in industry and the civil service to the insufficient development of our higher education, due to a lack of funds among our universities. When such a distinguished man, who has devoted all his life to education and who is perhaps the highest authority among our educational leaders, points out so clearly what our educational system lacks; when he mentions what is probably the greatest cause of our inferiority in this Dominion, can we possibly fold our arms and witness the falling off of our educational system without raising our voice?

We are a race of individualists, ordinarily incapable of voluntarily sacrificing ourselves to allow others to build with our money, although, in times of crisis, we are ready to sacrifice ourselves enthusiastically for the common salvation. So great is our respect for civil and religious authority, so strong is our belief in the strength and power of the church and of the state that we never seriously entertain the idea that they may really need our help. We are accustomed to leave our educational problem to our clergy and our religious institutions with never a thought of helping them. And our clergy perform each year the miracle of providing us with an education as nearly perfect as possible with a budget five times smaller than that of the English schools and universities.

Compare, for instance, the resources of our university with those of McGill. McGill university, with endowments and investments amounting to $18,566,463 and grounds, buildings and equipment valued at $12,826,845, has total assets of $31,393,308 and enjoyed, in 1931, a revenue of $2,480,911. For the same year, the University of Montreal owned in endowments and investments the sum of $221,366, compared with McGill's 18 millions, and grounds and buildings valued at $7,898,010, making total assets of $8,119,376, against McGill's 31 millions. Our university's revenue amounted to $253,644, against McGills' two and a half millions. I shall spare you further statistics for the moment, but these figures alone show the miracle which our university accomplishes each year in giving us so complete an education with such limited resources. There is one thing, however, that makes us hope to possess some day a university as complete as McGill. Our university buildings are valued at 8 millions, compared with McGill's 12 millions. About three million dollars more are required to complete the work undertaken, so that when these three millions have been spent we will have a university fully as well equipped as McGill.

The question now arises of where to get these three millions. In the face of the present world-disrupting crisis, we do not know what to do. It is clear that, had the prosperity of 1927 continued, we would have no university problem; the public would have subscribed all the money required. But prosperity is no longer with us. Why? To a certain extent, we do not know. However, the condition exists and we have to fight it. But it is useless to recriminate and to attribute the responsibility to others, as each one is probably responsible to some extent for the present state of affairs. The crisis seems to be largely due to a lack of general orientation. Every man and every government knows something about it, but the policy followed with the greatest conviction by every one is to do nothing. Feeling ourselves isolated and not knowing which way to turn, we have so to speak organized a strike of our resources and capital.

To put an end to this intolerable situation, there is need of a practical policy founded on order, logic and method. What solution have we so far found for this problem? Direct relief. It is generally admitted that the direct relief system is demoralizing our population and leading us inevitably to ruin. We cannot much longer continue maintaining in idleness a portion of our population, for that is the surest way to bring about communism. All our governments admit it, and the right hon. the Prime Minister (Mr. Bennett) stated on the radio that he wished to abandon as soon as possible the system of direct relief, in order to undertake public works that would provide our working population with remunerative employment. It is following this speech that I conceived the idea of suggesting to the Prime Minister of my country that he contribute one million dollars towards the completion of the University of Montreal. This million dollars would be used entirely to pay wages to workers who

would be taken from the ranks of the unemployed. For a few dollars more per week, we could provide our working people with employment, instead of, as at present, doling them out, thus humiliating and demoralizing charity. Direct relief is already costing millions to the federal government.

It must not be forgotten that the number of assisted persons would be doubled if every man out of work applied for relief. Fortunately for the federal treasury, our people are proud, and so long as some member of a family has some resources he uses them to assist his relatives and sometimes his friends. That is why I insist so strongly on doing away with the system of direct relief that tends to demoralize our workers and destroy their willingness to work and their initiative. It is work that we want for our labouring classes. And we want useful works that will be a credit to the country as a whole.

Is it possible to find a nobler institution to build up than a great university that could impart to our population the education necessary to the formation of competent men in all fields of our national life? The development of our higher educational system is of prime necessity to the prestige and success of our race. Consequently, we must give it all the encouragement possible. Our individual means may not be great, but our moral power is enormous and we have a right to our fair share of the national resources.

We have a right to demand that our share of these resources be applied in such a way as to do us the greatest good. If the people of Montreal and all the organized bodies in the city would unite with me in an effort to ask the Dominion government to devote a million of the relief money to the completion of the University of Montreal buildings, I am sure the government would grant that request. The more so that, if the Dominion government would grant us that money, the province of Quebec and the city of Montreal would do likewise, and we would have three millions to complete this undertaking.

Every country is proud of its universities and I am sure that, in all those who are listening to me, a patriotic chord is vibrating when I ask for a Catholic and French university that would proudly stand on the slopes of Mount Royal, for a magnificent monument that would be an attraction for all visitors and a source of pride for all French Canadians. But there is also the practical side: the establishment of a centre of learning that will properly develop the natural gifts of our race in all spheres of national life. I think our duty is to enrich the city of Montreal, the second largest French city in the world, with a university worthy of its high standing; and I would like to see those buildings entirely completed by the unemployed of the city, with the hope that the completion of the work will coincide with the end of the depression. And I firmly believe that, if the Dominion government decides on a rational policy of public works, it will bring peace to the minds of our people and will give to the rest of the country the confidence that is essential to put back to productive use non-active assets, as are those of our university at the present time.

Mr. Chairman, I earnestly invite you to heed the voice of our members of parliament; I appeal to all French speaking members of my province and of the country; I urgently ask them to unite on this question, which I consider a national one, and to take the steps to have the necessary amount voted for the University of Montreal. It is an enterprise of which you all want to see the completion, and the only influence I ask for is your outspoken support. You may rest assured that my voice will then be heard in this parliament with all the more strength that I shall be speaking on behalf of three million French Canadians.

Mr. MacINNIS: Mr. Chairman, I have not very much to say in connection with this bill. I find myself in complete agreement with what was stated yesterday by the hon. member for Quebec East (Mr. Lapointe). Much as I respect him it is not very often I can agree with him on matters of policy. I must say however that I am quite in accord with everything he said about this measure. The party at present in office were elected in 1930 on a policy of ending unemployment; they gave the people of this dominion to understand that they had a solution for the problem. Generally speaking hon. members in this corner of the chamber have been very patient; as a matter of fact I believe we have been too patient. We have given the government every opportunity to fulfil its promises, and on many occasions we have offered every assistance to put into effect a program which would end unemployment.

Not only in 1930 but again, immediately before calling this session of parliament, the Prime Minister (Mr. Bennett) told the people of Canada he was going to start the machinery moving which would improve conditions. Some hon. members have said they have been disappointed but I have not been disappointed because I did not expect anything. I knew very well the Prime Minister could not improve conditions without laying hands on the sacred rights of private property, and I am quite convinced he has not yet reached the point where he is willing to do that. In his last radio speech he said:

> In the main I have really tried to make these business talks. To tell you the truth I am so gripped by the necessity for action, I am so anxious about the development of these reforms that I have little time to think of politics.

After giving us that very strong statement we now have dished out to us this warmed-over bill, one which we have had placed before us for the last four years. It has been warmed over each year. Some of the ingredients may be left out in the present instance, or some others may be included, but on the whole it is the same bill. I notice the preamble begins with the usual statement that—

> —the provinces may require further assistance in carrying out necessary relief measures and in meeting financial conditions as the same may arise.

There is no "may" in the matter, at all. The provinces do need assistance. The western provinces are practically bankrupt and cannot meet the obligations confronting them without the assistance of this government; and carrying on as we do I am quite convinced that even this government cannot continue much longer to carry the burden. However, until that time comes I think the government should do everything that is necessary to improve the living conditions of the people.

My colleague from North Winnipeg (Mr. Heaps) asked the Minister of Labour (Mr. Gordon) for comparative figures of unemployment and those on relief during the last year, and the minister replied that he did not have the figures with him at the time. However, a parliamentary return was brought down a few days ago showing the number on relief month by month from January, 1934 to January, 1935, and despite the apparent improvement which the minister told us of yesterday, according to the figures given in that return there is little diminution in the number of those receiving direct relief.

In the parliamentary return which I have before me I find that in January, 1934 there were 1,292,065 persons receiving direct relief, and in January of this year the number was 1,183,690, a drop of a little over 100,000. Now if you take the figures in the return you will find that since April of last year the number receiving relief decreased until the month of October, 1934, and then the number began to increase and it has increased ever since. If we take the amount of the increase in 1934 and assume that there has been a similar increase in 1935 there would have been at the end of February over 1,200,000 on direct relief. That is besides those who have been receiving relief in an indirect way, in the National Defence camps, for instance, and working on various government projects.

Mr. GORDON: Mr. Chairman, I wonder if the hon. member would permit me to interject so that the members will not be misled by the calculations and assumptions made by the hon. member? I may say to him that the preliminary figures for February, 1935, which have just come to hand in the last day or two, disclose that there were across Canada on direct relief only 1,054,821. Always bear in mind that these figures are received by us from the provinces, and they are compiled showing the number of persons, men, women and children, who receive direct relief, not thirty days in the month, but if they receive only partial relief they are included in this figure. It is most difficult, and in fact every country in the world recognizes the difficulty, of trying to set up figures that reflect certainties with respect to matters like unemployment. The mobility of the individual and the very nature of the thing itself renders it impossible to have authentic figures which will show at a given time those who may be unemployed or on relief, and information of that kind.

Mr. HEAPS: Arising out of the figures which the minister has just given, may I ask if the 1,054,821 was not the actual number of men, women and children, in receipt of government relief in February last?

Mr. GORDON: Direct relief, yes, for varying periods of time.

Mr. MacINNIS: I am pleased that the minister has been able to give to the house the correct number of people on direct relief during the month of February last. I am glad also to note that seemingly there has been a drop since January. However, the

drop is a very small one, and after five years of solving the unemployment problem, and after five radio speeches, as one of my colleagues suggests, it is not a very good record. It does not show any substantial improvement in industrial conditions in this country.

In the figures that were given yesterday it was overlooked altogether that, though there may have been some increase in the number of those employed, the population of the country has been increasing, and this would be reflected in the number of those who were unemployed.

Mr. GORDON: May I interject again? The hon. member says that there is no appreciable improvement, but if we go back to the low point of the depression we find that in April, 1933, the figure was almost 1,600,000, and to-day it is just slightly over 1,000,000. So do not let us be too pessimistic and gloomy. Try and cheer up a little.

Mr. MacINNIS: It is exceedingly easy for the minister to be cheerful in the matter.

Mr. GORDON: No, it is not. All I want to be is correct, and cheerful.

Mr. SPOTTON: Perhaps the hon. member for Vancouver South (Mr. MacInnis) is not cheerful because he may lose his job.

Mr. MacINNIS: I am not the only one who is likely to lose his job, and I am afraid my hon. friend would find it more difficult to do hard work than I would. I have done it before and am quite willing to do it again, and that is more than can be said of some others. I say it is quite easy for the minister to be cheerful in the matter, but the record is not a cheerful one, and until we have a much more cheerful record and a much greater improvement I do not think there need be much crowing from the other side of the house. But even if conditions are improving, and let us say they are, the condition of the provinces and the municipalities is daily getting worse. Anyone who has been reading the papers from western Canada, from British Columbia, for instance, during the last few months, must realize the situation there. The city of Vancouver is practically bankrupt, and if it defaults I do not think there is any possibility of the province of British Columbia saving itself. It will be involved in the default of the city of Vancouver, and the same is true of the other western provinces as well.

I think it was the hon. member for Souris (Mr. Willis) who said this afternoon that some people think that governments are a kind of Santa Claus who should provide for everybody. As a matter of fact, if the people of Canada have the idea that the government is a sort of Santa Claus, it is the political parties of this country who have given them the idea, because in every election they come before the people and tell them, "Elect us and everything will be fine; we will see that you will have work and wages; unemployment will be ended; business will improve," and all that sort of thing, without any help from the people themselves; it is all going to be done by Santa Claus—the government. I have never led the people to believe that the government should be a Santa Claus. As a matter of fact, governments have nothing to give unless they first take it away from the people. Whatever they have they must first get in taxes, and taxes come out of produced wealth. Let us follow this a bit further.

Some hon. MEMBERS: Hear, Hear.

Mr. MacINNIS: I am glad my hon. friends are in agreement. Taxes come out of produced wealth. There are only two classes which produce wealth, the working class in the city and the farmers in the country. During the past few years the production of wealth has decreased to a very great extent, and you cannot increase taxation when the production of wealth is decreasing. The production of wealth will continue to decrease as long as markets continue to decrease. Production to-day is dependent upon the making of a profit. Markets will continue to decrease, consequently, the wealth out of which taxes are paid will also continue to decrease because the produced goods cannot be sold. No matter how much hon. friends opposite may try to improve conditions, they cannot do it under these circumstances. There is only one way in which the lot of the working class can be improved and that is by releasing production from the restrictions placed upon it by the profit motive. That is the only way in which we can get over our difficulties, but it is not likely that it wil lbe done. This government has forfeited any right which it may have had to consideration in connection with this or any other matter, and any hon. member who opposes this measure is well within his rights. The people are asking for bread and the government is offering them a stone.

Mr. COOTE: Mr. Chairman, could the minister give us the total expenditures which have been made for relief by the various governments? If we are to deal effectively with unemployment in Canada we should

give some thought to the causes of unemployment. We seem to overlook the fact that agriculture is the basic industry of Canada, and when the purchasing power of the farm people has been as low as it has been during the past four years we cannot expect anything but unemployment in the cities. We have permitted economic conditions to get out of balance. Hon. members are apt to forget the terrific drop which has occurred in the prices of farm products with the consequent decrease in the income of people living on the farms. The revenue received by the farmers of Canada represents the greatest source of purchasing power in this country. I think it is worth while to draw to the attention of the committee the fact that the net farm income of Canada for the years 1931 to 1934 was only $1,744,000,000, as compared wih a revenue of $4,012,000,000 for the period 1926 to 1929. In four years there was a drop in purchasing power of $2,268,000,000 or fifty-seven per cent. The net revenue received by the farmers in the latter period was only forty-three per cent of what it had been in the four years preceding 1930. There was an average yearly drop of $560,000,000 in the purchasing power of the farmers of Canada. In my humble opinion this decrease in purchasing power is the chief cause of the unemployment which exists to-day. It is also the cause of the municipal debt situation. It is not that this debt has increased so much since 1929 but that we are trying to carry on with less purchasing power circulating in the hands of the people. If the government wants to deal effectively with unemployment and the situation on the farms which makes it necessary for some farmers to seek relief, they must deal directly with farm prices. These prices must be raised, and the best way of doing this is to devalue the Canadian dollar outside of Canada and bring it down until it reaches sixty-five or seventy cents in United States currency. This would bring about a rise in the level of farm prices and would prove a worth while step towards restoring prosperity on the farms, which in turn will mean more prosperity in the cities and less unemployment. Again I ask the minister if he has the total contributions made by the dominion, provincial and municipal governments to as late a date as possible?

Mr. GORDON: I have not the figures for the provinces and the municipalities, but during the five year period the dominion has spent $170,000,000 in relief of various forms. This includes the relief granted to the dried out areas, the wheat bonus and other forms of relief. If comparisons are helpful, it may be interesting to note that this is less than was spent in 1930 on our railroads, hotels, golf courses and things of that kind.

Mr. HEAPS: I would like these figures in a more detailed form. Can the minister give us the amount spent in urban and in rural centres? I should like the capital account items for public works to be separated from the current expenditures.

Mr. GORDON: Under the terms of the relief act a report is required to be tabled within fifteen days after the end of the fiscal year. Such a report is now in course of preparation and as soon as the books are closed at the end of the month it will be brought in without delay. This report will disclose the figures to which reference has been made. It would take some time to make the breakdown of figures suggested by the hon. member, and if there is no immediate need I would suggest his waiting until the report is tabled.

Mr. HEAPS: That is all right so far as the present fiscal year is concerned, but I should like to get these figures for the fiscal year ended March 31, 1934. I want to know how much was spent in the way of relief in the rural sections and how much in the urban sections.

Mr. GORDON: I direct the attention of the hon. member to the report which was tabled in the first week in April of last year. This will give him the information he desires.

Mr. HEAPS: I should like to have it as soon as possible.

Mr. GORDON: I have not an extra copy of the report here but I can easily get it for the hon. member.

Mr. HEAPS: My question arises out of the discussion that took place this afternoon with reference to the question of relief so far as it affects both rural and urban areas. There has been some complaint about the amount of relief given the cities, and I am anxious to know how it compares with the relief given in rural areas.

Mr. GORDON: The report was never designed to disclose the difference between the urban and rural sections; no such thought was in my mind nor do I think it was in any one else's as to the break-down of the figures along those lines. The report contains a great amount of detail as to what has been done under the various relief acts. I will do my utmost to get any special information

the hon. member wants, but it is obviously impossible for me to pick out the figures from the reports I have.

Mr. HEAPS: The problem of relief is entirely different in the city from the problem in rural areas. Farm relief is given to farmers in these dried out areas for different reasons from those that govern the distribution of relief in the cities. In the city relief is given because of unemployment and of the inability of the recipient to obtain the necessaries of life, but the same thing hardly applies to relief given to farmers.

Mr. GORDON: Under the agreements entered into with the provinces in 1934 and up to the end of this month, instead of dealing in percentages an arrangement was made with each province whereby a specific grant in aid was made. We found by experience that if every dollar had to be earmarked for a particular situation that might arise in a province great delay occurred in attending to necessitous cases and in relieving acute need in various sections of the provinces. Therefore a grant in aid of a lump sum was made to the provinces on the distinct understanding, reflected in the agreements themselves, that this grant in aid might be applied in any way that the province considered most desirable so long as it was applied to relief purposes. In Saskatchewan a slightly different situation arises by reason of the great dried out areas, and that is administered on an entirely different basis. That is the only place where it is administered differently. Whether or not I can prepare figures which will separate the rural from the urban sections I do not know; I do not believe we can do it without having recourse to the various provinces to get statements from them. However, I will get whatever I can.

Mr. HEAPS: I do not want to have any special work devolve upon the department, and if they have not made the tabulations I will not ask that this be done. But perhaps the minister can give the amounts which the department expects to have spent in all forms of relief for the fiscal year ending this month together with the same figures for 1934.

Mr. GORDON: For the fiscal year ending March 31, 1935, the total amount which the dominion will have distributed will be around $32,000,000; I do not think that will be found to be far out. For the previous year it was about $41,000,000.

[Mr. Gordon.]

Mr. HEAPS: Does that include the dried out areas?

Mr. GORDON: Yes.

Mr. HEAPS: Any capital expenditures?

Mr. GORDON: No, that is under the Public Works Construction Act.

Mr. COOTE: The minister mentioned $170,000,000 as the amount spent, I think, for the last five years.

Mr. GORDON: Yes.

Mr. COOTE: By the federal government alone?

Mr. GORDON: Yes.

Mr. COOTE: Has the minister the figures showing the amount spent by the different governments and municipalities?

Mr. GORDON: No.

Mr. COOTE: These figures are not known to the department?

Mr. GORDON: Not accurately. We could estimate them but we do not know them.

Mr. COOTE: What is the basis on which the advances to the provinces were figured out for the year 1935?

Mr. GORDON: Up to the end of July, 1934, a percentage of all relief in municipalities was assumed by the dominion—one-third. In unorganized territories the percentage assumed by the dominion was fifty per cent, with the provinces. After July 31, and after the conference was held between the dominion and the provincial premiers, for the reasons I have already stated amongst others a lump sum grant in aid was given to each province. There were discussions with the representatives of the provinces and the amounts were arrived at after a review of what the situation had been in the years prior to 1934 and what the provinces thought they needed and the dominion considered it could give to them. I do not think that in any instance there was at first unanimity of opinion because it does not need much argument to show that that could scarcely happen, having regard to what had taken place in the years before the grants in aid to the provinces were determined. I will frankly admit that some of the provinces were not satisfied, and with equal frankness I admit that they never would be satisfied no matter what the grant was.

Mr. COOTE: It was simply a matter of negotiation?

Mr. GORDON: Quite.

Mr. COOTE: There was no basis of so much per family?

Mr. GORDON: No, that is entirely in the hands of the provinces, as to administration and how much should be given per family.

Mr. COOTE: Then the allotment to rural and urban areas would be a matter of negotiation between the province and the municipality?

Mr. GORDON: Yes.

Mr. COOTE: It would be correct to say that the dominion government had nothing to say with regard to that particular part of it, that is to say, the share of the province and that of the municipality?

Mr. GORDON: No, the agreement does not cover that. The grant in aid was given to the province to be applied by them in any way their best judgment suggested. Administration has always been and is now entirely in the hands of the provinces. Of course, discussions take place and have taken place constantly between myself and the various representatives from the provinces. I have many times urged the provinces to organize this relief administration, so that on the one hand people who cannot support themselves will not suffer and on the other there will be no waste of public money. Further than that the dominion has had nothing to do with the settlement of the amount each family will get.

Mr. RINFRET: There are two questions that I want to put to the minister and that I think can come under this clause. I had the impression yesterday that the minister had not concluded his speech when we reached six o'clock—

Mr. GORDON: I thought hon. members were tired listening to me.

Mr. RINFRET: —and I thought he would give us more information regarding this bill. He chose to-day, apparently with good judgment, to let the vote be taken on the second reading, but I suppose he reserved for this stage further information on the matter. The first question I want to put to him is this: His department has adopted for the last few months a policy of paying a fixed amount to some of the provinces, at least to Quebec. Is it the intention under this bill to carry on the payment of a fixed amount, or will the department resort to the former policy of a proportionate payment according to the needs of the particular province? The trouble with the bill, as I pointed out on second reading, is that it is too elastic; the government may do more or may do less than the house expects, and we do not know. Perhaps the minister will reply to that question and another one I am going to put to him at this moment. The minister gave us to understand during his curtailed speech that before the session is over other measures will be brought down covering unemployment. Is he in a position now to indicate to a certain extent what those measures will be?

Mr. GORDON: My view is that arrangements with the provinces after the end of this month will probably follow the line of a fixed grant to them, on a descending scale I hope, because there are not as many on relief as there have been heretofore. However that is a matter I or the government will have to determine after consultation with the provinces. At the moment I cannot say anything more than that.

Other measures which I hope will be brought down later in the session are now under consideration by the government. It is not an easy task to outline sound plans to provide work for the unemployed in a country such as Canada, but there are under consideration plans which the government hopes will provide at least a considerable amount of employment to those out of work. With respect to those who are unable to work as well as to those who will not work, who do not want to work, they will I assume be taken care of as has been done in the past. I do not think I can go further than that.

Mr. WEIR (Macdonald): To go back to the remarks made this afternoon by the hon. member for South Battleford (Mr. Vallance) and the hon. member for Willow Bunch (Mr. Donnelly) with respect to clause 2 of the bill, the marginal note of this clause reads:

Loans to provinces, and Canadian Cooperative Wheat Producers Limited.

Everyone knows that under number 20 on the order paper provision is made for the creation of a Canadian grain board. When we see this item included in this bill, we are naturally anxious to know whether this means the elimination of number 20 on the order paper, or just what is the position of the government with respect to it? The house has waited now since 1930 for some statement of policy with respect to the marketing of wheat. Hon. members will remember that in that year the Prime Minister went to the imperial conference in the old country and took with him the late A. J. McPhail, and upon his return to this country, Mr. J. I. McFarland was appointed manager of Canadian Cooperative Wheat Producers Limited—

to dispose of the balance of the 1928-29 wheat crop of some 76,000,000 bushels. From that day until now the house and the country have had really no statement of policy and no details of the position of the organization or of the responsibility of the government with respect thereto. A dominion election is approaching, and I certainly think the government should provide the house and the country with the fullest possible details with regard to the operations that have been carried on by Mr. McFarland under this legislation. To do so would be only right and proper so far as all those who are interested in the matter are concerned—the dominion government, the public at large, and the pool organizations themselves.

Further, in recent months there has been a good deal of discussion in the papers with respect to Mr. McFarland's operations, and no one knows definitely whether the charges, if I may use that word, in this regard are correct or not. Consequently it is all the more desirable that a clear statement of policy be made without further delay. We on this side have been tolerant of the government in not pressing for information. The hon. member for Souris (Mr. Willis) referred this afternoon to Mr. McFarland having been called before the banking and commerce committee last year. No attempt was then made to force him to disclose information which he felt it would not be in the interest of the public to reveal. But the time has now arrived when the house is entitled to some statement. Moreover, with all respect to the stabilization operations, the farmers are complaining of the uncertainty in connection with any policy involved. They intend to put in a new crop this year. What is going to be the policy of the government with respect to marketing in the future? I think we are entitled to a clear statement with respect to the policy that has been pursued so far and what the policy will be from now on. I can quite conceive that the farmers have been in a state of uncertainty in regard to this whole policy; no one knows what is going to happen or what the policy of the government will be or anything else. I would therefore respectfully request that the minister advise the committee just what is going to be done with respect to the wheat situation and when we may have an opportunity of securing information regarding the operations of Mr. McFarland, his stabilization scheme and its relationship to Canadian Co-operative Wheat Producers Limited.

[Mr. H. G. Weir.]

Mr. GORDON: The question of the desirability of disclosing the position of Canadian Cooperative Wheat Producers Limited in the wheat market I do not think has changed since the matter was before the banking and commerce committee. I am not as fortunate as the western farmer members, who are apparently gamblers and who know a great deal about gambling in wheat and matters of that kind. I am not a gambler; in this business of hedging, selling short and selling long and things of that kind I must say I am a bit beyond my depth, so the farmer members from western Canada on the other side of the house have me at a great disadvantage. I should think, though, that if one is in the market, whether on the short or on the long side, it would be a most undesirable thing to advertise to others in the market and the world in general the exact position of any considerable trader. That is only a suggestion, coming from one who is unacquainted with stock market trading.

What the dominion government endeavoured to do, and I think largely succeeded in doing, was to make these guarantees to Canadian Cooperative Wheat Producers Limited in order that they would be able to stabilize the wheat market for western farmers. Whether they accomplished the object sought may be subject to differences of opinion. I have heard many people say that by reason of the guarantees and the operations of Mr. McFarland through the agency of this company a stabilized market prevailed. Personally I am of opinion that it would be highly undesirable to have the market position of this company made known to other traders.

Mr. STEWART (Edmonton): Do you think they can keep it from the traders?

Mr. GORDON: They might not be able to keep other traders from guessing at it, but if I understand anything at all about the market you are doing pretty well when you keep the other fellow guessing a bit.

Mr. STEWART (Edmonton): I am afraid it has been the other way round.

Mr. GORDON: It may have been; again we have the suggestion of the dark clouds hanging low in the sky, but I cannot help that. At any rate the objective of the government in making guarantees was just as I have indicated. My hon. friend from Macdonald says no policy has been announced in regard to selling the wheat of western Canada. Well, we inherited a tremendous carry over and prior to 1930 I never saw any great activity on the part of the late dominion

government in outlining a policy in connection with the selling of the wheat of western Canada. It may be that on the return of the Prime Minister, which I trust will not be too long delayed, what I have given as an answer to the question of my hon. friend may be amplified, and perhaps more information may be given. My own view, however, is that it would be highly undesirable to disclose to the other wheat traders the position of this company in the wheat market. I do not believe Canada will suffer any loss in the grain market. That is only my belief. I may be wrong; others may know better than I.

Mr. WEIR (Macdonald): With all due respect to the minister, and without wishing to disclose any information with regard to the position of Mr. McFarland and Canadian Cooperative Wheat Producers Limited in the wheat market, I should think that for the protection of the institution itself and of the government the time has come when the statements that are being made in the public press, and supported by responsible grain men and others who are conversant with the grain trade, should be corrected otherwise, those impressions are going to continue to spread.

Mr. MANION: Some of them were corrected at Moose Jaw very recently by Mr. McFarland.

Mr. WEIR (Macdonald): I am not so sure that he gave a complete answer in any sense; I thought he was more interested in the continuation in power of the Prime Minister and the Conservative party.

Mr. MANION: Some of his critics merely took the other side.

Mr. GORDON: Well, that is synonymous with the survival of western Canada.

Mr. WEIR (Macdonald): I am afraid the minister did not get my point or the point the hon. member for South Battleford really had in mind when he brought up the matter this afternoon. I should like to know just what is intended by this provision in view of the fact that the order paper contains notice of legislation to create a wheat board. Is this bill going to continue the present scheme for another year, or when is it going to end? Is the present bill merely to continue the arrangement now in force until the legislation creating a wheat board can be enacted? That is the first point I should like answered. Then what is the wheat board, or whatever agency is created, going to do? Is it merely going to take over the present obligations with respect to wheat and withdraw from the market, or is it going to continue the policy that has been carried on in the past?

May I say to the minister that I am not addressing the committee in any critical sense at all; as a matter of fact I can quite conceive that at the time Mr. McFarland was appointed it was inevitable that something of this kind should be done. Nor am I making any particular complaint with regard to the creation of a wheat board. I am quite prepared to concede that the situation that existed at the time Mr. McFarland was appointed made such an appointment, or the creation of some such agency, quite necessary, and I support the idea that a board would be an even better arrangement than having one man direct an institution such as we have had for the last four and a half years. Nevertheless the fact remains that the country as a whole has become involved to a very substantial degree through these operations, and we have had little or no information with regard to the policy that has been followed. Beyond doubt a dead line must be established some time, and with all deference to the minister I submit that we should have some information with regard to this policy. The real point I have in mind at the moment with respect to this legislation, however, is whether it is to continue the present policy just until a wheat board is created, or whether this policy is to be continued for another year and probably reenacted next year.

Mr. GORDON: Mr. Chairman, I think the hon. member need have no great fear for the future in connection with this matter. The bill under discussion is the same bill that has given the government power to make guarantees to this company. That power ceases by passage of time on March 31 next. Surely it is obvious to every hon. member, whether the government was right or wrong in taking the course it did to support the grain market in western Canada, that having done what it did it must continue after March 31. It is quite true that on the order paper there appears a resolution with respect to a grain board. All I can say—and the hon. member knows this very well—is that when that legislation comes down its intent will be made clear, and the extent to which it will supersede the present policy or whether the board will be entirely separate from that policy. I can say no more about it; the legislation when it is brought down will speak for itself.

Mr. WEIR (Macdonald): The minister is quite prepared to say that the passing of this legislation does not prevent the bringing of other legislation before the house?

Mr. GORDON: Quite so.

Mr. HEAPS: This afternoon there was a discussion as to the assistance the government had given to the provinces and, in turn, the provinces had given to the municipalities. I made the plea that the government should at least make some attempt to make provision whereby the municipalities might be relieved of some of the burden they are now carrying. Evidently my plea and that of other hon. members has not fallen on receptive ears, because only a few moments ago the minister informed the committee he hoped that when in the near future his department met with the provincial premiers there might be provision whereby the amount allotted by the government to the provinces for relief would be lower in the coming year than it has been in the past. I believe I am not far from the mark, and if I am wrong I hope the minister will correct me, when I say that the amount the government has given to the provinces and, in turn, the provinces have remitted to the municipalities for direct relief, would amount to approximately twenty-five per cent of the expenditures. I believe I am fairly close to the mark when I say the amount would be about twenty-five per cent. In previous years the amount given by the government was one-third of the total, the provinces contributing one-third and the municipalities the remaining third. I say the additional eight and one third per cent has been carried by the municipalities, and in most cases the load is too heavy for them. I believe it is admitted on all sides that unemployment is not primarily a municipal problem. It is a national problem arising as a result of national conditions for which the municipalities are in no degree responsible.

Years ago, before we suffered from an acute unemployment problem, or one similar to that with which we are now faced, it was within the purview of the municipalities to grant relief to indigent cases which came under municipal control. Those indigent cases were due primarily not to problems of unemployment but rather to conditions arising out of sickness, invalidity or old age, or circumstances under which people were physically unable to find employment. However, since we have been troubled with an acute unemployment problem we find a completely new difficulty facing our municipalities, and I say we should not expect them to carry a load ranging between thirty-five per cent and forty per cent of the cost of maintaining the unemployed. It is quite true that the problem may adjust itself; with the advent of public works and with improved economic conditions the difficulty may be lessened, but even then I say the federal government should assume its just share of the responsibility in meeting the difficulty. I am wondering whether or not the government would return to its former basis of granting relief rather than follow the practice of granting a lump sum to the provinces, not knowing whether such sum would be sufficient or insufficient to meet the necessities of the situation. I am wondering whether they would go back to the method employed prior to 1934, that of giving relief on the basis of a percentage of the cost of unemployment relief within the boundaries of the municipalities.

I am informed the province of Quebec made an offer to the government to the effect that it would asume half of the responsibility of unemployment if the federal government would assume the other half. I do not know whether any other provinces have made similar offers, but as unemployment is a national problem I do think the federal government ought to assume a much larger share of the cost than it now assumes. A few moments ago I asked the minister if he could give the figures showing how much had been spent by way of relief to rural and urban municipalities. He was unable to give the figures, but made the statement that for the fiscal year ending March 31, 1935, approximately $32,000,000 had been spent. That figure does not convey all the information I should like to have, because some of the money was spent in the drought areas and could not be said to have been spent for the relief of the unemployed. If we had more detailed figures showing the amount actually spent we might then have some idea of what the added burden to the federal exchequer would be if the federal government assumed a larger share than it assumes at the present time. I stated earlier in my observations that the amount assumed by the federal government was approximately 25 per cent, as compared with 33⅓ per cent in previous years. Perhaps the minister would give us the correct figures in that respect. I should also like to know if at this time he is prepared to state on behalf of the government whether or not it would grant to the municipalities more relief than they have been able to obtain from the government during the past twelve months.

Mr. GORDON: I can add nothing to what I have already said. The figures have not been prepared in the manner the hon. member has suggested, and I doubt very much whether they could be broken up to disclose the difference between the urban and rural contributions. However I give the hon. member the assurance that we will endeavour to comply with his request. I cannot say that we will be successful in an attempt to set up figures which would be accurate and dependable, but we will do the best we can.

Mr. HEAPS: I know the amount paid by the federal government to the government of Manitoba resulted in the city of Winnipeg being compelled to spend far more per head for municipal relief than it had to pay when they were receiving a grant of one-third of the cost. The amount received to-day by urban centres for municipal relief would amount to approximately 25 per cent. I do not believe I am in any way underestimating the amount granted by the federal government for this purpose. The minister may not be able to rake up those figures, but I am informed that in 1934 the figure was about $40,000,000, and that this year it will be about $32,000,000. The difference represents a drop of about $8,000,000, or 20 per cent. Across the country there has been a diminution to the extent of 10 or 11 per cent in the number of those receiving relief this year as compared with the number in previous years. Consequently there has been a greater drop in the amount of money granted than there has been in the number drawing relief, a circumstance which would seem to bear out my contention.

Mr. VENIOT: I should like to get some information which the minister may not be able to provide to-night but which he may furnish later. I should like to get from him the amount of money the federal government paid per month as its share for each county in New Brunswick. May I repeat that I want to have the dominion's share, paid to the provincial government, for each county of New Brunswick for each month of 1933. If the minister cannot give the information offhand he might prepare a statement and let me have it within a few days.

Mr. GORDON: It would be difficult to comply with the request of the hon. member for Gloucester, because the dominion has contact only with the provincial government. We make our grants to the provincial governments. If the report that was tabled last year does not give the information the hon. member has asked for I shall endeavour as soon as I can to get a compilation of figures that will reflect the information sought by the hon. gentleman.

Mr. VENIOT: That will be quite satisfactory. The information is important in view of something that is to take place in the very near future in consequence of statements that I have made on the floor of this house, which statements in regard to relief are quite correct, but I wish to have them substantiated by official figures from the department. While I am on my feet I would ask the minister if he can make any statement to-night as to the agreement between the provincial government and the federal department of Labour in connection with the trans-Canada highway in the province of New Brunswick. Have the arrangements been concluded between the provincial and federal governments as to the share the federal government is going to pay, and the route to be followed, on which the payment will be based?

Mr. GORDON: The trans-Canada highway in New Brunswick has been designated so far as our contribution to the work is concerned, from Hartland to Woodstock in the county of Carleton. The work is the laying of a three-inch asphaltic and concrete base, wth one-inch sheet asphalt surface for about a mile. The amount is $3,905 for the dominion contribution.

Mr. VENIOT: It is not necessary to give all those details. Can the minister say what route is to be followed?

Mr. GORDON: From Fredericton to McGinley Ferry; from Saint John city, Westfield Corner to King's and Saint John; from Sussex to Penobsquis, King's county; from Moncton east and west, county of Westmoreland. Those are all the approvals that we have made of suggested work on the trans-Canada highway in New Brunswick.

Mr. VENIOT: Has the minister any information as to the route of the trans-Canada highway as defined by the provincial government? Is it from Moncton to Sackville by way of Shediac, cape Bald, and Port Elgin?

Mr. GORDON: The only order in council that has been forwarded to the dominion government by the province of New Brunswick designating the route of the trans-Canada highway covers only a portion I believe of the route. Perhaps it would be best if I read the description:

Beginning at a point from the boundary line between the province of Quebec and the province of New Brunswick where the main trunk

highway route No. 2 intersects the said boundary line of the western side of the Madawaska river; thence following the main trunk highway on the west side of Madawaska river to Edmundston; thence along the eastern side of the Saint John river to Grand Falls; thence along the western side of the Saint John river to Andover crossing Saint John river to Perth; thence down the east side of Saint John river to Hartland; thence down west side of Saint John river through Woodstock, Fredericton, Oromocto, Gagetown, Westfield to Saint John; thence from Saint John through Sussex, Moncton and Sackville to the Nova Scotia boundary near Aulac.

Mr. VENIOT: That is quite satisfactory; thank you.

Section agreed to.

On section 2—Agreements with provinces.

Mr. COOTE: It seems to me it is quite evident that, whether a grain board is set up or not, clause 2 is necessary. The wheat that is held under government guarantee, whatever form that guarantee may take, must be carried for some time, and I may say frankly that that is one of the main reasons why I voted for this bill, which contains many features I do not approve of. I would ask the minister how long the present arrangement with the provinces is to continue and whether a conference has been arranged with the provinces in connection with the grants that are mentioned in clause 2.

Mr. GORDON: The agreements with the provinces expire by the effluxion of time on the 31st of this month. Arrangements will have to be made without delay with a view to determining what assistance the provinces may need. It seems to be the judgment of some hon. members that of necessity the dominion taxpayer must give more to the provinces than has been the case in the past. I am not at all prepared to acknowledge that to be the situation. I wonder if we in this chamber remember that we have only one set of taxpayers in this country. I sometimes wonder if we are not forgetting that. These matters are in a measure determined by the capacity of the various taxing authorities to raise the money that is thought to be necessary. Arrangements with the provinces will be carried on temporarily after the end of this month until a conference with all the provinces, or with some of them where the arrangements will have to be changed, can be brought about. I cannot give the hon. member the day when such a conference will be convened. It would be utterly impossible for me to do it.

[Mr. Gordon.]

Mr. COOTE: One reason why I asked the minister the question I did was that in my constituency three large coal mines have been shut down for some time. The last word I had was that they were shut down due to the fact that the railway company had not placed any orders for this year. I do not know just what developments may have occurred during last week. I have taken up this matter with the government and with the railway company in an effort to see if some orders cannot be given to these mines. The whole population of three towns is dependent upon the mines, there being about 900 miners involved. When I received this telegram two weeks ago two of the mines, employing 600 miners, had not worked for three weeks. I understand that the other mine has since stopped operations. The total population of these towns is between three and four thousand, and as the municipalities are wholly dependent upon the operations of the mines they are unable to make any worth while provision for relief. I suppose all they can do is to appeal to the province, and I was wondering if the minister could give us some assurance that when the province makes application to the government, as I suppose it must, there will be as little delay as possible in making some provision for these towns. It is generally agreed that the financial position of the western provinces is not such as to enable them to take care of any considerable addition to their unemployment relief bills. I have no intention of bothering the minister about the matter in connection with this bill, but I do want to impress upon him the seriousness of the situation. I am sure these municipalities have not the resources with which to meet a situation of this kind, even for a period of a few weeks. I do not know to what extent the province will be able to take care of it without some assistance from this government. I urge upon the minister that he hold himself in readiness to give what help he can to these cases. Perhaps the government could persuade the Canadian Pacific Railway to spread its coal orders to take in the three towns involved.

Mr. GORDON: Mr. Chairman, it must be remembered that this government has been and is now assisting coal production by means of subventions, with the result that Saskatchewan coal has practically displaced competitive foreign fuels in the province of Manitoba. But the paradox is that instead of any control being exercised over coal mines in Alberta, about fifty new mines have been opened in the last few years. All mines in

the province are under the control and jurisdiction of the provincial government. These small mines used to be called waggon mines, but they are now known as truck mines. The result is that the large employers of labour have been eliminated from the home market. I believe the hon. member for West Edmonton (Mr. Stewart) is well acquainted with this situation. While the dominion taxpayer is contributing to these coal mines by way of subventions, the Alberta government is charging a royalty on the coal mined.

Mr. STEWART (Edmonton): I have some sympathy with the minister in this connection. My hon. friends over there who talk so glibly about cooperation, about marketing and over-production might well take a hand in their own province to see what they can do about coal mining. This simply demonstrates how difficult it is to do anything like this. I have been intimately acquainted with the Alberta coal mines for at least twenty-five years. Coal is so plentiful and so easily produced that it is very difficult to control. I remember at one time we had 350 mines operating when fifty would have been sufficient to supply the market. May I say to the minister that I also have some sympathy with the Alberta government. It is very difficult to regulate things of that sort.

Mr. GORDON: From a political standpoint, yes.

Mr. STEWART (Edmonton): If this government is going to regulate business, if it is going to control everybody and everything produced, it has a very good example in Alberta coal mining of how far it will get. The theory is good but the difficulty is that it does not work out in practice. These people are anxious to sell their coal in eastern Canada and they could sell it if it could be brought down. The difficulty is that there is over-production. There is no question in the world that we have not solved the problem of over-production of coal. This brings me to the question of wheat. This afternoon the minister gave a new angle on wheat marketing as carried out by the government. I did not know that they were gambling in wheat.

Mr. GORDON: I said I was not a gambler.

Mr. STEWART (Edmonton): I thought they were buying wheat and holding it.

Mr. MANION: He was referring to your critics.

Mr. STEWART (Edmonton): I did not understand it in that way. From the very meagre information which the government has let out from time to time I understood that the wheat was being purchased outright through the agency of Mr. McFariand and that the government now owned such wheat as might be in their possession. Other countries having wheat boards give out statistics which are published by our statistical department, but we are denied any information as to the year after year straight purchasing by this government. I do not understand why the government wants to keep this a secret. If they think the grain trade is not aware of what wheat they are holding they are greatly mistaken, because these gentlemen have ways and means of telling exactly the amount of wheat being held. Any western member knows this. These gentlemen are able to ascertain fairly accurately the amounts held in the farmer's bins. To me the thing is a huge joke, but I suppose as long as this government is in power the joke will be perpetuated. I hope the government gets out of it with a profit, as we would like to see the government clean up this mess before we have anything to do with it.

Some hon. member on the other side remarked that when this government took office there was a vast amount of wheat being held. The Liberal government never embarked on the purchase of wheat. It did not need to do that, as in those days the wheat pools were doing all the marketing of the wheat of western Canada. But they finally found themselves in difficulty and appealed to the provincial governments. Later on this government got into wheat marketing, and I am not going to say whether they were right or wrong. As a western farmer there is one thing I do know: Since the government has been operating I have taken the lowest prices for my wheat in all the years I have been raising wheat in western Canada. I do not say that this condition was brought about because the government engaged in the marketing of wheat, but that has been my personal experience. The Prime Minister has once or twice said, "If we had not purchased the wheat you would not have got anything for it." I have some doubts about that and I will reserve my remarks in regard to the wheat situation until the bill comes down, when we can discuss every aspect of it.

Although I realize how useless it is, I must protest against the wide powers contained in this bill. Ever since it has been in office this government has repeatedly come here, year

after year, and said, "All the information we can give you is with regard to what happened last year, but we will spend any amount of money we like, in any way we like, in any place we like, when this bill is passed." In the Department of the Interior, over which I had the honour to preside, hon. gentlemen opposite when they sat over here made meticulous demands to know where every dollar would be spent, and now when the estimates for that department come down no one knows how much will be spent, in the parks, for instance. That is a right the government has taken away from parliament. My hon. friends opposite can spend any amount anywhere in the construction of roads, public buildings and so on, and parliament has no voice whatever in the matter. I cannot help thinking that hon. gentlemen opposite know just as much as we do over here about what will be done; they have not a particle more knowledge than we have. The men who constitute the government sit around a table and make these allocations as they please. I protest now, as I have protested before and will continue to protest, against this method. It may be necessary to have unidentified sums voted for the purpose of assisting the provinces, but there is certainly no excuse on earth that I can think of for the expenditure of public money in the parks under the guise of relief without having that money voted, as it has always been voted in the past, thereby preserving the rights of parliament in the matter. And the same applies to every other expenditure of public money on undertakings which the government itself is carrying out; they should be separated from this act. If there is any excuse on earth for this bill it can only be the fact that my hon. friends do not know how much they will spend in conjunction with the provinces, but there is no excuse whatever for including in the bill the right of the government to make expenditures over which they have complete control, without the money being voted. There is not much use protesting, however. Our good friends say it is remarkable that the Liberal party should be agreeing with the Conservative party in all these matters of social reform now being passed. What is the use of protesting? My hon. friend from Macleod (Mr. Coote) has just remarked that he voted for the bill this afternoon—I was not here—on the ground that it contained a provision for continuing cooperative marketing. Well, he need not have worried because the government own the wheat and will have to sell it. They are bringing down a bill under which they will operate next year—I fancy that will be the effect of it—and if he objects to the rest of the bill I do not see that there was much necessity for his voting for the bill to continue the wheat operations seeing that the government of Canada practically speaking own all the wheat now. However I want to make it quite plain that I am protesting as strongly as I can against the practice that has been followed by this government, without letting us know the details as to place or anything else, or spending public money in the way that has been done. Possibly they do not know themselves, though they should know. All we know is that the returns come in as provided for under the act and we are so informed when parliament meets. Talk about autocracy: we have it in the fullest measure year by year, and again this year in the particular bill which we are now discussing.

Mr. COOTE: I want to refer briefly again to the coal mines I have already mentioned. These mines are producing bituminous coal, not domestic coal, eighty-five per cent of which is used by the Canadian Pacific Railway, and they were all operated almost to capacity during the war. They are still there, but unfortunately there is not now as great a demand for coal as there was at that time. A community has settled around each one of these mines, with municipalities dependent on the operation of the mines, and that is why I take the liberty of bringing the matter to the attention of the minister. I should like to be assured that in passing this bill we are making provision whereby, if the government are appealed to, they will be able to deal with a situation which someone should look after if these mines are closed for any considerable period.

Mr. DUPUIS: How much has been spent during the last year in connection with each province by way of grant, loan, advances or guarantees, public works or direct relief? I think it would be interesting to know these details by provinces.

Mr. GORDON: It would be very difficult to give the exact amounts. Of course, we could not give them up to the end of this fiscal year but I would point out that in the province of Quebec—there may be reasons for it—we cannot determine how much we have yet to pay because the accounts are very slow in coming in. I am not saying this in any spirit of criticism of that province, but I do know that we get the accounts six months and even as long as eighteen months after the work has been done and the money

expended. I have in mind now some instances of accounts coming in from the province of Quebec two years old, so that it is extremely difficult for me to give an accurate picture to show what is spent in each of the provinces. Ontario is exceedingly prompt in sending in accounts, and so is Manitoba; others are not so prompt.

Mr. DUPUIS: Which?

Mr. GORDON: The tables themselves will disclose that. If the hon. member will be patient the report will be tabled in the course of a few days and will disclose all these accounts as between the dominion and the provinces. I could not put on the record at the moment the figures he has asked for, but they will appear in the report.

Mr. DUPUIS: In section 2 of the bill I see that the government is coming to the relief of Canadian Cooperative Wheat Producers Limited. I have nothing to do with and I do not intend to go into the intricacies of the operations of the wheat producers, but I represent producers of other agricultural commodities who are very much interested in this matter. For instance, in my riding the production of vegetables on a very large scale is carried on, among them being potatoes, tomatoes and so forth. I have also in my constituency many dairy producers. This afternoon I heard some hon. members asking the Minister of Railways whether he could not reduce freight rates for I believe the potato producers of New Brunswick. That minister replied that if he had nothing to do but to answer all those requests favourably. the railways of Canada would have to run without making any charge. Perhaps the Minister of Railways cannot do anything; but just to equalize grants among the provinces in a spirit of equity and justice, would it not be possible for the Minister of Labour, in this very clause in which he is providing something in favour of the wheat producers, to which I have no objection, to provide something by way of a premium for instance to the butter producers? Could he not give a premium which would cover the freight rate reductions that were sought by the members who spoke on the subject this afternon, or make a grant to the potato producers of that province? I am inclined to think this would be an excellent way of demonstrating the desire of this government to help our farmers, whatever they may produce.

Another aspect of the question which I should like to bring before the committee is the financial situation of the municipalities. I heard many members this afternoon and evening speaking of municipalities being on the verge of bankruptcy. I do not think such statements constitute a very good advertisement for our municipalities, nevertheless I am sure the minister will admit that this state of affairs cannot continue very long before the municipalities in general will be unable to bear their share of direct relief or contribute toward the construction of public works. I know in my riding at least one municipality which is unable to pay a single cent for the purpose of relieving the unemployed. This municipality, a small one, was living by the taxes of workers in the brick industry. Since 1930 those brick plants have been idle and at least a hundred families are practically in a state of starvation. They are all small, humble proprietors and consequently unable to pay their taxes, and the municipality is—I hate to use the word "bankrupt"—really unable to provide the money to come to their rescue. The minister is in a better position than I am to know how many municipalities throughout Canada are in a similar situation. The hon. member for Macleod (Mr. Coote) a few minutes ago spoke of one municipality being unable to provide its share of relief expenditures. How can the government undertake to carry on this new policy of giving a fixed amount to each province, when already in each province, municipality after municipality is becoming unable to provide a single cent of its share of relief? I should be glad to see this government give evidence that there is less unemployment to-day than there was last year, but the figures that have been given so far prove the contrary; there are more unemployed this year than there were last.

Mr. DUPRE: No. Why does the hon. member say that?

Mr. DUPUIS: The last figure given was 1,300,000.

Mr. DUPRE: No.

Mr. DUPUIS: Maybe not unemployed, but on relief. As regards the question of unemployment we have had from the government side many figures starting from the Prime Minister's statement at first that there were about five hundred thousand. Then another minister stated that there were about twice as many. We do not know yet what the facts are.

Mr. DUPRE: What other minister said so?

Mr. DUPUIS: The Solicitor General should follow these debates every day. I do not

blame him for not following them as closely as he should because he is a very busy man, but if he will look in Hansard he will find out that several statements were made that were entirely at variance.

Mr. DUPRE: Will the hon. member give the name?

Mr. DUPUIS: I do not want to start an argument about the matter, but the question is sufficiently serious this year and the signs of improvement are so scarce that we should expect from the government a policy not so rigid, one rather in the spirit of the promises made before the last election, one that would be more in accord with the situation at the beginning of the present administration in 1930 when they were ready to end unemployment, to give work to everybody, to develop industries, to transform raw materials into finished products to be sold in this country, and to prevent importations. That was the policy of this government. What has occurred? Nothing has been done. Day by day we see statistics showing that every month raw materials are being exported to the value of hundreds of thousands of dollars to foreign countries to be manufactured there, though the present government made specific promises that if they ever came to power they would try to encourage industries in Canada to carry on this work of manufacture. That has not been done as yet, after five years of tergiversation. I am convinced that it is high time this government came to a decision in line with their policy of 1930. This is not a farce; we have a serious state of affairs in this country. The eyes of the people are on this parliament, and the people are hoping that before a general election this government will come to their rescue. The purpose of this bill is to relieve the unemployed and needy. The people of this country are not looking for direct relief; they are looking for work, but if this government are unable to give them work at least they should give them relief according to the needs of the municipalities and provinces.

Mr. GORDON: Before the section carries, Mr. Chairman, I notice that there is a slight typographical omission. The clause should read, "upon such terms and conditions as may be agreed upon." The word "be" is left out, and I would move that it be inserted.

Mr. REID: I should like to direct a question to the attention of the minister. Last year a report was presented to the house by the auditor general, having to do I believe with a survey ordered by the government covering the whole dominion in connection with the administration of relief and the expenditure of money by the various provincial governments. In that report an item appeared in connection with the province of British Columbia, amounting to some $62,000 expended on stores, which remained unaccounted for. I wonder if the minister has any statement to make as to whether that matter has been looked into, where the money was spent and who got it.

Mr. GORDON: The item to which reference is made, together with other items that are in the course of adjustment, is still the subject of correspondence between this government and the government of British Columbia. Representatives of that government and the auditor general's office still have that and other items under advisement.

Mr. REID: I would urge upon the minister that this item, at any rate, should be pursued.

Mr. GORDON: They will all be pursued.

Mr. REID: Because $62,000 of stores disappeared.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the section as amended carry?

Mr. DUPUIS: In the course of my remarks I directed some questions to the minister, and I should like to have him answer them. I want to know particularly if under the bill this government intend to help other producers than wheat producers.

Mr. GORDON: This government have already helped vegetable and fruit producers in Canada by committing what I assume hon. gentlemen opposite would call another great crime, that is, by establishing a very high seasonal tariff against the importation of competitive fruits and vegetables. They have also passed and made available to those engaged in the growing of such produce as that to which the hon. member has made reference, the marketing act, though I believe up to the present the producers in the province of Quebec have not availed themselves of it. I have no doubt that they will do so, and I believe that if they do so they will be benefited very materially. So far as my information goes and I believe it to be accurate, already the market gardeners have received great benefits where the act has been applied. I do not think I can say more.

Mr. DUPUIS: The minister says the province of Quebec has not availed itself of the provisions of the marketing act. If I am correctly informed in the western provinces a vote was taken as to the advisability of taking advantage of the marketing act and a great majority of the producers refused to do so because of the results that have been obtained so far. I should like to know from the minister how and when the farmers of this country derived any benefit from that act.

Mr. GOTT: What about the price of tobacco?

Mr. DUPUIS: I am not speaking of onions now.

Mr. GOTT: I am speaking of tobacco.

Mr. DUPUIS: The minister mentioned a seasonal tariff. That was imposed in the Dunning budget, but the Dunning tariff was far better than the tariff imposed by this government. I might just cite an instance in which this government raised the tariff. In 1931 the tariff on potatoes was increased to 75 cents per hundred pounds. I mentioned this fact a week or two ago and some hon. member opposite denied it. I have looked up the record since then, and I find that I was correct. What was the result? After this government raised the tariff from 50 cents to 75 cents per hundred pounds our neighbour to the south raised the tariff to the same level. In that country the tariff was 50 cents; it was increased to 75 cents, and although the consumers of the United States required our potatoes and came to buy them, they could not afford to pay the freight and the customs duty, so our producers were deprived of that market. That is the only result of the action of this government, though they come here and say they did so much for the farmers of this country by raising the tariff in 1930. If this is the only thing they have to their credit I should be afraid if I were to your right, Mr. Chairman, to face the electors at the next election.

Section 2 agreed to.

On section 3—Maintain peace, order and good government.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the section carry?

Mr. RINFRET: On division.

Section agreed to on division.

Sections 4 to 11 inclusive agreed to.

On the preamble.

Mr. SPENCER: Before the preamble carries I should like to refer to a statement made a few moments ago by the hon. member sitting to my right. He referred to a vote taken in connection with the marketing act, and stated that a great majority had voted against the act. If I am correctly informed a majority in the three provinces, taken together, voted for the act.

Mr. DUPUIS: In one province, for one product, they voted against the act.

Mr. HACKETT: Chickens only.

Mr. DUPUIS: Chickens are very important.

Mr. POULIOT: May I ask the Minister of Labour when I may expect to have some information about the classification of the unemployed, and if it will take long to get it? No answer? Well, you see, we have the same performance in the present instance as we had when the post office estimates were before us. The minister wants his bill to pass, and the Postmaster General wants his estimates to pass, but neither wishes to give any information. "Wait and see." "Wait until this has passed, and then I will give you some information"—which no one will be able to discuss. This is most extraordinary. How can the minister say he will bring relief to the unemployed if he has no information concerning the trades or professions of these unemployed people? The only answer I have received was from the Prime Minister when on one occasion last year he said they were doing their best. I wonder if the best the government can do is nothing, or if it is something. How can the minister do anything for any person, or for any of the unemployed, if he does not know the trade or profession of each unemployed person? How can he bring relief to the unemployed without having due information? This is basic information. The Minister of Railways and Canals, who is now in his seat, is always complaining that the opposition does not offer constructive suggestions. This is a constructive suggestion, and he will not deny it because it has the sanction of his chief.

Hon. gentlemen opposite say that by voting such and such an amount we will bring relief to the unemployed, and there has been blank cheque legislation by virtue of which the government has lent money to Newfoundland, lent money to the Canadian Pacific Railway, increased the value of the stock held by the Sun Life Assurance Company, and so on. The reason the government come again with blank cheque legislation is that they have no policy. They bring it to

cover up their ignorance of facts, and I am sorry for them. I am sorry, too, for those who are suffering on account of this government's action. The unemployed are not only those who get relief but they are those who had positions in the towns and who because of a decrease in trade have not been able to continue and have had to return to their fathers for their livings. I am sorry for them.

When I ask the minister for information, fundamental and basic information, he cannot answer because he has not the information. Did the Prime Minister tell the truth when he said he was doing his best in that regard? He was speaking on behalf of the government, on behalf of the Minister of Labour as well as the other ministers. What did the Prime Minister mean when he said, "We are doing our best with regard to the classification of unemployed"? Is the minister willing to answer this pertinent question? No answer yet. As Shakespeare has said, silence is the answer.

Mr. LOUCKS: Everything comes to him who waits.

Mr. POULIOT: It is a very sad performance. Here we have the Minister of Labour who gives lectures to all the provincial governments about the way they should deal with the unemployed, and yet he has not the basic facts. He has no more basic facts than the Postmaster General had, nor has he more than most of his colleagues have. I am sorry for one thing only, and it is that some of the ministers are able men, but they will look after only the immediate business of their departments. That procedure is a credit to them, but they take very little interest in the general policy of the government. They leave that to the other ministers. So far as general policy is concerned they lean on the shoulders of others. That is why a member cannot get an answer when he asks a pertinent question. Sir, on behalf of those whom I have the honour to represent and on behalf of the Canadian people as a whole I have the right to ask the minister please to answer this question: What did the Prime Minister mean when a year ago he said, "We are doing our best with regard to the classification of the unemployed"? May I ask this question of the minister?

Mr. GOTT: Carried.

Mr. POULIOT: No, sir; I want an answer. I want to know what the Prime Minister meant, because he is the superhead of the Department of Labour; he is the superhead of any department of the government, and the information he had is the information the minister should now have. Therefore if the Prime Minister had it the Minister of Labour should have it, and especially when he has in front of him not only his deputy but also the gentleman in charge of relief. If he does not know, his deputy should know, and if his deputy does not know, the head of the relief branch should know. If no one of the trinity knows, then let us dispense with them.

The CHAIRMAN (Mr. Smith, Cumberland): Carried?

Mr. POULIOT: No. I shall give due time to the minister to answer, but I want an answer and the country wants an answer.

Mr. LOUCKS: How do you like the way you are getting it?

Mr. GOTT: There is no answer.

Mr. POULIOT: No answer.

Mr. GOTT: No.

Mr. POULIOT: I have more to say to you. Hansard is recording the fact that several times the minister has not answered this very pertinent and legitimate question.

Mr. GORDON: I am waiting until the hon. member gets through.

Mr. POULIOT: I sat down four times.

Mr. GORDON: The hon. member for Temiscouata wants me to state whether or not on an occasion in the past the Prime Minister was telling the truth. I believe in substance I have stated his question. All I can say is that I have known the Prime Minister for about thirty years, and my relations with him in the past five years have been rather intimate. From my acquaintanceship with him I would say he is a man who sticks religiously to the truth in all matters. I have no objection to making any possible explanation with respect to the matter of registration, about which the hon. member has quite properly asked. In 1931 even before the census was completed the provinces were asked by the dominion to make a registration such as the hon. member for Témiscouata has suggested. Ontario made a registration, and it was disclosed that in the registration made by that province school children and everybody went on the registration list. People came in from the country and registered in the city purely for the purpose of getting on relief. When that was made abundantly plain the province notified the dominion that the registration made was of little value. I think they said we could safely divide it in half.

The province of Quebec would not make a registration because the premier of that province said that in his judgment it would only be an open invitation—I think I am not overstating the case—to make the registration that was suggested. I do not think a registration ever was made in that province. One or two of the smaller provinces made a registration, not a complete but a partial one, and they give us the benefit of the information they obtained. That is the situation. We rely, and must of necessity rely, upon the provincial machinery for information of that kind other than the information which is collected by the Labour department through the agency of the trade unions.

Mr. DUPUIS: Is there any registration in Ontario?

Mr. GORDON: Not at the present time. I have just been explaining that they tried to make a registration that would be helpful but it was found to be entirely inaccurate for the reasons I have indicated. That is the situation so far as registration is concerned. I think that what the hon. member for Temiscouata has suggested is quite a sound thing if it could be done, and we have repeatedly asked the provinces, being constantly in contact with their people, particularly in connection with the administration of relief, if they could devise some scheme whereby a continuous registration could be available. They say they cannot, and I can well understand that there would be grave and serious difficulties in the way of doing it. That is what has been attempted, and that is what has been the result.

Mr. POULIOT: I thank the hon. gentleman, but first I wish to tell him that I did not say that the Prime Minister did not tell the truth. Otherwise I would not have asked him that question. It was because I believed the Prime Minister was telling the truth that I asked the question, and again I thank the hon. gentleman for the explanation he has just given to the house and the country. The minister says that my suggestion, although good, is not practical from a certain point of view because the federal government can get that information only through the provinces.

Mr. GORDON: Except the information we get from the census.

Mr. POULIOT: Oh yes, but that is an old story. To come down to modern history, to the number of unemployed at the present time and their classification by trade or profession, it is very easy to gather that information, and if there is to be an interprovincial conference this important question should be brought before the provinces in order that the country may be well posted on it. May I say to the minister that prominent members of the St. Vincent de Paul Society have told me that the information could be secured within twenty-four hours, that it was there and had only to be compiled. That information could also be secured, not through trades unions, but by charitable organizations like the Red Cross, the Salvation Army, and the St. Vincent de Paul Society which I have already mentioned. Therefore in the interests of the country I now ask the Minister of Labour to take due steps to have the unemployed classified. It would serve the government well because as soon as that classification is made the governments, whether federal or provincial does not matter, and I use the plural intentionally, will be able to distinguish between those who are really unemployed and those who take advantage of relief in order to get assistance to which they are not entitled. The saving of money thus made would compensate for any expense that might be incurred in making such a classification. I cannot close my brief remarks without thanking the minister for his answer. It has taken me a long time, five years, to get that answer from him, but at last to-night I have got it, and I am satisfied he is now on the right path and I hope he will continue in it.

Preamble agreed to.

Bill reported, read the third time, on division, and passed.

SUPPLY

RAILWAYS AND CANALS

The house in committee of supply, Mr. Morand in the chair.

Miscellaneous—
To assist in promoting tourist business in Canada, $200,000.

Mr. THOMPSON (Simcoe): Before this vote is carried I should like to say a few words, and first of all I should like to congratulate the Minister of Railways upon his very able presentation of the case for Canada as a country offering many attractions to the outside tourist. I think the whole country owes a debt of gratitude to Hon. Mr. Dennis, Senator from Halifax, because it was upon his initiative that the Senate appointed a special committee last session to inquire into the possibilities of the tourist traffic and to ascertain what steps could be taken to encourage and develop this traffic. As a result

of the work of that committee a publicity department was established, from which excellent results are to be expected.

Among the facts brought out by the committee was that in 1929, the last year in which good times prevailed in the United States, Canada received a revenue of $310,000,000 from the outside tourist trade. Those who have made a study of this matter anticipate that when times once more become normal the trade will provide a revenue of $500,000,000. I think that this is the opportune time to make a special drive for this trade. It is said that 20,000,000 people visited the Chicago fair in 1933, with possibly a like number in 1934. It is natural to expect that many of these people will be looking for a new place in which to spend their vacation this year, and there is no country with the attractions of Canada. If a special drive is made immediately we could expect a large share of this trade. The whole dominion is interested in this question, but Ontario is particularly interested because of its proximity to the more populous centres of the United States. In addition our province has the added advantage of good roads and easy access by rail and water.

There is no trade or industry—I think we can call it that—which provides such general and in some cases generous benefits. Practically all classes of the community receive benefits from this trade. The hotel keeper, the boarding house keeper, the merchant, the garage man, the mechanic, the cook, the guide, the boat livery man, the farmer and the market gardener all receive direct benefits from this trade, and through them the benefits are spread to all classes in the community. Large sums of money have been spent upon our railroads and highways, and if this tourist traffic is encouraged we will be able to obtain some return on our investment. Those who have spoken before me on this question have laid before the house some of the special attractions which their particular province or constituency possesses, and perhaps I may be allowed to do the same thing.

I consider that my riding of East Simcoe possesses unique advantages because of its history and scenery. The history of this riding goes back to 1615 when Champlain, that great adventurer from France, journeyed up the Ottawa river, passed into lake Nipissing, came out into Georgian bay, then down to Penetanguishene, finally landing at Orillia. He wintered there in anticipation of joining the Huron Indians on a warlike expedition against the Iroquois. Through the public spirit which is characteristic of them, the citizens of Orillia have erected a monument to the memory of Champlain which is said to be the finest of its kind in Canada. This was made possible only after a considerable expenditure of time and money, aided by contributions from the dominion, Ontario and Quebec governments. Every year thousands of tourists from Canada and the United States visit Orillia in order to view this monument. I suggest to the minister that in any publicity issued in connection with the tourist traffic particular mention should be made of this monument.

Adjacent to the town of Midland is a martyr's shrine erected to the memory of those heroic Jesuit missionaries, Fathers Brebeuf and Lallemant, who were taken captive by the Iroquois and so cruelly tortured to death. This shrine is a most attractive spot for tourists from Ontario, Quebec and the United States, and I think it should be emphasized in any publicity which is issued.

Penetanguishene celebrated its tercentenary in 1919, a delay of four years having occurred because of the war. The chiefs of the Huron and Iroquois tribes were invited to be present, and they met and smoked the pipe of peace and entered into what is hoped will be a lasting treaty. During the war of 1812 Penetanguishene was selected as the proper place for the establishment of a naval and military station. At the conclusion of the war the American war vessels Tigress and Scorpion, which were captured from the Americans at Mackinaw, were sunk. Recently one of them has been brought to the surface and provides an object of great interest to American tourists. So much for the historic points in my riding.

I shall deal now with the points of special scenic beauty. My riding lies at the gateway of the thirty thousand islands of the Georgian bay. This area has recently been made a national park by the dominion government. The trip from Midland to Parry Sound through the inside channel is said to be the finest trip of its kind in Canada. I suggest to hon. members that if they want to see something of the beauties of Ontario they should take that trip. In addition to the wonderful trip among the thirty thousand islands we have the Severn river which forms the northern link of the Trent waterways connecting Georgian bay with lake Couchiching. Thousands of tourists spend the summer there and there is room for thousands more. I have mentioned briefly a few of the attractive points in my riding and I am sure I voice the views of my constituency when I say that we are heartily in favour of this vote.

Mr. PECK: I would not consider it necessary to speak but for the fact that the people I represent are very much interested in the tourist traffic. The county of Peterborough offers a great deal of attraction to tourists who come by thousands to enjoy the scenery. We are able to give them and we do give them a very pleasant time and they come again. I agree with my hon. friend from East Simcoe as to the attractiveness of that general system that runs from Georgian bay to the Trent, known as the Kawartha system, comprising islands, lakes, rivers and canals. It attracts many thousands of people to its shores every year and those whom I represent are particularly interested in promoting the traffic. Other places in Canada are similarly situated and are looking for tourists. I am quite sure therefore that the government is doing the wise thing in setting aside a sum of money to advertise the traffic and to make provision for tourists to see that they are properly guarded against exorbitant charges. The bureau can do a great deal in furnishing information to the prospective tourist. After all, the best advertisement that Canada can have is the good will of those who visit the country and report favourably upon its advantages. That is the first essential. Further, the bureau should be in a position to give information to those who are ignorant of the country and are anxious to know where they can spend a happy and profitable holiday at reasonable cost. It will be the function of the bureau to collect all this information and to check it over, and it can do many things to smooth the way for the tourist. The tourist wants a reasonable means of approaching the particular point on which he has set his mind; he wants to know that he will be comfortably looked after at moderate cost; he wants to know that fishing is provided for, and he wants to know particularly that he will be able to get into ready communication with his own home by mail, telegraph or telephone. A good many inquiries are made respecting the district I come from with regard to these points particularly which I have enumerated, and the officer in charge of the bureau can do a good deal in cooperation with the various departments to clear up such points. Every man coming to visit us wants to know, as I have said, that he will be able to get into ready communication with his home in case of emergency. From every point of view therefore we can commend this appropriation and I congratulate the government. I assure them it will do a great deal to improve the tourist traffic and increase the numbers of those who visit us.

Mr. SPENCER: Before the house rose a few days ago I mentioned the great buffalo park situated between Wainwright and Hardisty in Alberta. There are a few particulars which I wish to put on record with regard to this park, which has the reputation of being the largest buffalo park with the largest herd of buffalo in the world. The park is situated on the main line of the Canadian National railways, 127 miles east of Edmonton and 199 miles west of Saskatoon. It has an area of 125,000 acres. The buffalo were first introduced into the park in 1910, and the locality being exceedingly good for them, and great care having been taken of them, they have increased enormously; from 748 they have increased to 24,000. Various means have been taken to keep the herd within reasonable numbers owing to the limited pasture. In the years from 1925 to 1928 no less than 6,673 were moved north to the Wood Buffalo park in the Great Slave lake region, and during recent years a great number of the older animals have been slaughtered—to be exact, 10,545. We still have approximately 5,000 in the park. Besides buffalo we have 1,000 head of elk, 2,500 mule deer, 95 moose and a small herd of yak. There are many interesting crosses between the buffalo, the yak and the domestic, which are of considerable interest to visitors. Last year visitors to the park numbered 12,631. The park is surrounded by a high wire fence, nine feet high, stretching for over one hundred miles. I am glad to say that we have at Wainwright Park a very able administrator in Mr. Smith, who goes to a great deal of trouble to give every consideration to visitors. I want to put these facts on record because I think the parks should be advertised more extensively. I believe that the money being spent by the government in advertising these different parks is all to the good. Apart from the park there is another attraction in the Wainwright area, where we have the second largest oil field in Canada, so that if people get tired looking at the buffalo they can look at possible investments in this important oil field.

Mr. MacDONALD (Cape Breton): There has been such unanimity with regard to this appropriation that I hesitate to take up the time of the committee, but it would be most unusual and neglectful if on such a discussion as this the province of Nova Scotia were overlooked. That province is the playground of the Atlantic, and the constituency which I have the honour to represent is from the tourist standpoint the chief asset of that province. In addition to the attractions that should be held out to tourists

and that have been mentioned by the minister and also by the hon. member for East Simcoe; in addition to the courtesy, kindness and hospitality that should be shown to tourists, there should be attractions in the shape of good roads, hotels and tourist camps which also should be developed.

The hon. member for East Simcoe in his very worthy address referred to the historic aspects of his constituency. Well, the tourist that comes to Nova Scotia in nine cases out of ten wishes to see the one historic point in Canada that is probably more important than any other, and that is the old town of Louisburg. They read about it in their schoolbooks many years ago, and as the years went on their interest no doubt grew. Perhaps as they took a deeper interest in Canadian history they got a better view and a keener realization of the importance of the fall of Louisburg in 1758. At that time Louisburg was the key to the gulf of St. Lawrence; the taking of that town meant the taking of the French citadel on the Atlantic coast. The following year the British were enabled to make Louisburg a strategic point from which to take Quebec. Had it not been for the capture of Louisburg in 1758, it would have been very difficult if not impossible to take Quebec the following year, and thus students of history recognize that in that old town was fought out and probably settled the destiny of Canada and probably of the whole North American continent for all time to come.

I admire the efforts of hon. members who have already spoken in praise of the beauties of their various constituencies, but I wonder what would happen to them and to their point of view if they visited the province of Nova Scotia and the county of Cape Breton. There is where the east begins; there is where the sun first kisses the eastern shore of Canada, and I venture to say that in the course of its long journey until it sets in the waters of the Pacific it does not look upon a more beautiful scene than that which greets it at dawn in Nova Scotia.

I wish I could induce some hon. members to visit the island of Cape Breton and take just a short trip around it. The first spot I would take them to would be the village of Margaree, where is possibly the most fertile valley in the eastern provinces. There is to be found the celebrated Margaree river, the paradise of the angler, where salmon and trout abound and where the greatest hospitality is extended to the tourist. The tourist after a few days' visit there goes home satisfied with the treatment he has received, with the fish he has caught and probably with material enough to furnish conversation for many a long evening. From there I would take him along the celebrated Cabot trail over the tip of Cape North, up the side of a mountain the size of which is such that it makes even the Alps and the Rocky mountains dwindle, and on which cars go in low gear until they reach the top. From that point of vantage you can see in the distance Prince Edward Island, the garden of the gulf, so described by the hon. member for Queens (Mr. Myers) the other day. Turning your gaze to the right you see the distant shores of Newfoundland, then down the Atlantic coast over the mountain of Smoky is the village of Baddeck, made prominent many years ago by Charles W. Warner, and now the resting place of Alexander Graham Bell, the great inventor, who having travelled over the world picked this spot as one of the most beautiful he had ever seen. It was there that the first aeroplanes flew in the Dominion of Canada, and there opens to the eyes of the public the beauty of the great Bras d'Or lakes. A little further on we come to the village of St. Ann's, the birthplace and resting place of the celebrated giant McAskill.

When hon. members who speak of the attractions of their constituencies refer to fishing such as is afforded by the lakes of Ontario and other small spots, they are speaking simply of minor league fish. If they want to have big league fish they have to come down to Cape Breton island. There we have a fish called the tuna, a member of the horse mackerel family. I might read just one short description of it:

> In no other waters of the world are there found so many world champion heavyweight deep sea fighters and few with so abundant a variety of lightweight sport fish. They range along the south shore and off Cape Breton. Nova Scotia tuna—the battling giants of the sea! The biggest thrill awaiting those who find their sport with rod and line! The gamest and most enduring fighters in the ocean are the tuna found in Nova Scotian waters.

Progress reported.

KINGSTON PENITENTIARY

Mr. J. P. HOWDEN (St. Boniface): I would like to ask the government a question in regard to a rather important matter. Have they any information regarding a rumoured revolt and fire at Kingston penitentiary?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Revolt and what?

Mr. HOWDEN: There is a reported rebellion and fire at the Kingston penitentiary, I understand.

Sir GEORGE PERLEY: I have heard nothing about it, and the Minister of Justice is not here to-night. He will take note of the question.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, March 22, 1935

The house met at three o'clock.

PRIVILEGE—MR. MACKENZIE KING

DENIAL OF STATEMENT APPEARING IN PRESS CONCERNING PROGRAM IN ONTARIO LEGISLATURE

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, on a matter affecting the privileges of this house and a question of personal privilege I desire to direct the attention of your honour to an article appearing in the Ottawa Morning Citizen of March 22, 1935—to-day—headed as follows:

Leave separate school request over until fall.

Special session then will also deal with social reform program of Ontario government is report.

Revamped municipal taxation plan looms.

Say committee to study unemployment conditions after prorogation.

Then in brackets "(Special to the Citizen)". The article continues:

Toronto, March 21.—Following a discussion with right Hon. W. L. Mackenzie King yesterday, Premier Hepburn has definitely decided to forego the separate school request for a share of corporation taxes and to postpone enactment of the extensive social reform program which he promised in the last election campaign, it was learned from sources close to the Ontario premier to-day.

All these measures will await special session of the Ontario legislature which Mr. Hepburn will call as soon as the dominion election is over, it is said. Before the house adjourns, a special committee of the legislature will be appointed which will make a study of unemployment conditions, provincial and municipal taxation, and social reforms.

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Then a little farther on in the same article.

At his conference with the dominion Liberal leader yesterday, it is reported—

Referring to Mr. Hepburn—

—he was assured of a much larger contribution to unemployment relief should the Liberals be returned to power in the general election.

May I say, Mr. Speaker, that when the Hon. Mr. Hepburn and some of his colleagues did me the honour of attending a dinner tendered me by the Liberal party the night before last at the Chateau Laurier I met Mr. Hepburn during the course of the evening. The only conversation I had with Mr. Hepburn while he was in Ottawa was at the dinner table itself and at no time in conversation did Mr. Hepburn make any mention to me or did I make any mention to him of any matter connected with any "separate school request for a share of corporation taxes" or with respect to any "social reform program" of the Ontario government, or with respect to the question of unemployment relief.

An hon. MEMBER: What did you talk about?

Mr. MACKENZIE KING: I wish to say—

Mr. MANION: Otherwise the report is correct?

Mr. MACKENZIE KING: I wish to say, Mr. Speaker, that the statements in these particulars contained in this article are wholly false, untrue, misleading and without any foundation, also that, as a matter of fact, at the present time I have no understanding or agreement with any leader of any provincial party in any of the provinces of Canada, whether he be in office or out of office, as to what will be even considered, let alone done, by the Liberal party, should the Liberal party be returned to office as a result of the next general election. I have never had any understanding or agreement of the kind with any provincial leader at any time, and so long as I am the leader of the Liberal party in Canada there will not be any understanding or agreement of the kind, other than what is declared publicly from the platform as part of what would be government policy. I should regard any course such as indicated in this article as being reprehensible and dishonourable, and I hope I would not be thought capable of anything of the kind.

May I say I have made inquiries as to the source of this article, and I learn that a similar article appears in this morning's issue of the Toronto Mail and Empire, sent by that paper's

correspondent from the press gallery here. I understand the Hon. Mr. Hepburn has issued a statement in Toronto in which he categorically denies the statement which appears in the Mail and Empire of that city, and which was similar in effect to the statement I have read. May I say if it were not for the fact that I have no desire to embarrass any member of the press gallery I would ask this House of Commons to appoint a committee to inquire into the source of this article, because it is perfectly apparent as the matter stands that it is in the nature of party political propaganda, and as such is both reprehensible and dishonourable.

BUSINESS OF THE HOUSE

MOTION FOR SUSPENSION OF STANDING ORDER TO PERMIT PRESENTATION OF BUDGET SPEECH

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved:

That the provisions of standing order 28 respecting the committee of ways and means be suspended for this day.

He said: This is to permit presentation of the budget.

Mr. SPEAKER: Shall the motion have the unanimous consent of the house?

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, just before the motion is put I hope that it will be satisfactory to the government, after the hon. Minister of Finance (Mr. Rhodes) has concluded his speech on the motion for the committee to go into ways and means, for the debate to be resumed on Tuesday.

Sir GEORGE PERLEY: That is satisfactory.

Motion agreed to.

KINGSTON PENITENTIARY

STATEMENT BY MINISTER OF JUSTICE AS TO DISTURBANCE CREATED BY PRISONERS

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, last night before adjournment a question was asked in the house during my absence with regard to a disturbance that occurred yesterday among some prisoners at Kingston penitentiary. I regret to inform the house that there was a disturbance yesterday afternoon in Kingston penitentiary, and from the reports that have so far come to hand I may tell the house that it occurred just at the time of the closing of the shops in the institution, a minute or two before five o'clock. In the west shop block eighty-three prisoners were employed. At closing time these men are marched back to the main prison. Twenty-five of the eighty-three had been marched back when a halt was made with the remainder, and they immediately seized the three guards in charge of the men, searched their pockets, took from them matches, lighters and keys, immediately closed the main door and proceeded to barricade it with material that was at hand or taken from other rooms.

The west shop block contains the tailor shops on the ground floor; the shoemaking shop on the second floor; and part of the second floor which is called the north end is to be used as a new shoemaking shop in the future but it is not yet equipped.

When the guards were seized they were taken to the basement of the block and held there for a time, and their arms and legs were tied. They were subsequently removed to the second floor, to the unoccupied room which I have described as the new shoe factory. Fourteen prisoners went down into the basement and barricaded the door there, and the remaining forty-four went upstairs to this vacant shop block.

A good deal of the machinery in the tailor shop was destroyed; the damage to the machinery is estimated to be $2,000. More damage was done in the shoe shop on the second floor. There a fire was started, and there is damage by fire and smoke and by water and also from broken machinery, which cannot yet be estimated.

The barricade of the doors kept up until the doors were forced open from the outside. I believe they are metal doors and had to be cut. When the outside guards arrived they went down into the basement, found the fourteen prisoners who had gone into the second floor room, and found the forty-four prisoners and the three guards. The disturbance seems to have quieted down very quickly after that. By six-thirty the prisoners were all back in the main prison and in their cells, but the fire had gained considerable headway, and lest it should spread it was thought better to call on the Kingston fire brigade, which immediately sent a detachment to the scene and extinguished the fire. The fire was all out I believe at about eight p.m.

Three prisoners were slightly injured. One had his lip cut, necessitating two stitches from the surgeon, one had an eye injured, which had to be dressed, the injury being very slight,

and one had his fingers cut. From the report of the surgeon I gather that all these injuries were inflicted by prisoners upon prisoners. It is estimated, so far as one can at the moment, that probably thirty to thirty-five prisoners were engaged in this disturbance. The rest were there and they seemed reluctant.

No cause can yet be assigned for the trouble. The warden happened to be at penitentiary headquarters yesterday, but as soon as he learned by telephone of the outbreak he immediately returned to the penitentiary. He reported between eight and nine o'clock that all was quiet, that a count had been taken, that all the men were in their cells and the fire was out. To-day he is holding an investigation. The shops were not open this morning but I expect they are this afternoon. It is possible that during the course of the day I shall receive a further report.

UNIVERSITY OF MONTREAL

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): I have a question to direct to the ministers from the province of Quebec. Yesterday, during the discussion on Bill No. 41, the hon. member for Berthier-Maskinongé (Mr. Barrette) delivered an eloquent speech on behalf of the University of Montreal, and he asked the Minister of Labour (Mr. Gordon) to devote to that institution a part of the relief money. Would the French-speaking ministers inform me whether the hon. member for Berthier-Maskinongé (Mr. Barrette) approached them on that subject, and whether they have submitted the question to the cabinet in order to get a favourable answer. Might we expect that answer soon?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Mr. Speaker, may I suggest that the hon. gentleman put his question on the order paper.

Mr. SPEAKER: Before government orders are proceeded with, by consent I would ask the house to revert to the order, First reading of Senate bills.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 43, for the relief of Clarence MacGregor Roberts—Mr. Bury (for Mr. Bell, St. Antoine).

Bill No. 44, for the relief of Agnes Mabel Potter Brockwell—Mr. Garland (Carleton).

Bill No. 45, for the relief of John Henry Ley—Mr. Garland (Carleton).

DOCTOR A. G. DOUGHTY

RETIREMENT OF DOMINION ARCHIVIST—HONOUR CONFERRED IN RECOGNITION OF DISTINGUISHED SERVICE

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, on the orders of the day I would ask permission to state that the retirement of Doctor A. G. Doughty, dominion archivist, by reason of his attainment of the age of seventy-five years, is effective to-day.

In view of Doctor Doughty's monumental achievements as archivist of Canada, his excellency the governor in council will confer upon him the titular distinction of dominion archivist emeritus, provide for him suitable accommodation at the archives, and retain his services as chairman of the public records commission, which is not subject to the provisions of the Civil Service Act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I should like to say that as it has become necessary for Doctor Doughty to retire as dominion archivist on account of the civil service requirement respecting age, I believe all parties in this house and equally the country generally will appreciate the action of the hon. Secretary of State (Mr. Cahan) in seeing that for as long as possible Doctor Doughty is retained in immediate connection with the archives, and that due provision will be made for him there. So far as any department of the public service may be said to be the creation of one man, the department of public archives is certainly the creation of Doctor Doughty, moreover the value of the archives to the government and to the public is in a very large measure immediately dependent upon the personal knowledge of what is therein contained and of sources of information in Doctor Doughty's own mind.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, in view of the announcement of the hon. Secretary of State (Mr. Cahan), may I ask him whether a decision has been reached as to who is going to replace Doctor Doughty at the head of the archives? May I express the hope that we shall not have to wait as long for the filling of this position as for the filling of the positions of Deputy Minister of Marine and Deputy Postmaster General?

Mr. CAHAN: Mr. Speaker, an acting dominion archivist will be appointed forthwith. The appointment of a permanent official will depend upon the action of the governor in council.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. N. RHODES (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, one year ago in presenting the budget I stated that the low point in the long depression had been reached and passed, that considerable progress had already been made in this and other countries in the restoration of normal conditions, and that the prevailing economic trends were in the direction of further progress. In actual experience the accuracy of this statement and forecast has been established and it is my very good fortune to review the course of business and the trend of public finances during a year which has been marked by continued—and substantial—progress, and a nearer approach to sound and satisfactory business and financial conditions.

If we take the most comprehensive index of Canadian economic activity compiled by the Dominion Bureau of Statistics, we find that the physical volume of business in Canada was in February of this year (based on preliminary figures) no less than 48·5 per cent above the low point of the depression. When we keep in mind that this means practically a fifty per cent increase, on the average, in the number of automobiles, barrels of flour, pounds of sugar, pairs of shoes, tons of steel, tons of newsprint, feet of lumber, yards of cloth, tons of mineral, kilowatt hours of electricity and corresponding units of other articles produced by practically all our leading industries, as well as freight cars loaded, construction contracts awarded, and the volume of trade, we cannot belittle its significance. No less important is the fact that the improvement is continuing, for this index after a slight recession has again risen to the peak reached last May and is now 15·2 per cent higher than in February, 1934. Moreover, the progress in 1934 was more general than in 1933, as gains were registered in nearly all branches of activity. In view of the unsettled international conditions during the past eight or ten months, this may well be regarded as a real achievement for Canadian business.

In this respect Canada's record compares most favourably with that of other countries. The League of Nations publishes monthly a table showing general index numbers of industrial production for nearly all the leading countries. If we take the fifteen countries for which the figures are available for one of the last three months of 1934 and compare the increases in industrial production since January, 1933, we find that in the degree of advance from January, 1933, to the end of 1934 Canada easily occupies first place. Over this two-year period industrial activity in France showed a decline of 7 per cent and in the Netherlands of 5 per cent. The increases for the other countries are as follows: Belgium, 3 per cent; Japan, 13·2 per cent. Czechoslovakia, 14·7 per cent; Chile, 19·8 per cent; United Kingdom, 22·3 per cent; Norway, 23·3 per cent; Austria, 24·9 per cent; Italy, 26·5 per cent; Sweden, 30·9 per cent; United States, 32·3 per cent; Germany, 36·9 per cent; Poland, 43·1 per cent; and Canada, 46·2 per cent. Canada's progress reflects in part the world-wide recovery based on the automatic working of normal economic forces which have always brought an end to previous depressions, but it is apparent that the greater speed and consistency of our advance must have some real relation to the sound policies which this government has instituted in order to preserve the integrity of our economic and financial structure, to restore equilibrium in our economy and to stimulate the forces making for recovery.

It is not my purpose to weary you with over many statistical details but it may be well to call attention to a few of the more striking evidences of improvement in particular branches of our economic life.

Our index of manufacturing production, based on 29 factors, was in Januray 10·2 per cent higher than in January a year ago and 51·4 per cent above the low point of the depression. As measured by this index, manufacturing activity during 1934 was exceeeded by that of only five of the sixteen years of the post-war period, namely, the years from 1926 to 1930. Furthermore, during the past year considerable progress was made in adjusting the disparity between durable goods and consumers goods industries which is so characteristic a feature of major depressions. The greater recovery in durable goods industries during the last two years may be illustrated by pointing out that in February the production of pig iron, steel and automobiles was, respectively, 509, 353 and 450 per cent in excess of that for February, 1933, the low point of the depression. The output of automobiles and trucks during the full year 1934 was 116,890, an increase of 92 per cent over 1932.

Closely connected with this improvement in the manufacture of durable goods was a welcome change in the construction industry. Contracts awarded increased 29 per cent over

1933, and the index for February was approximately double that for February of last year. While building activity is still at a low level, construction will benefit materially during the balance of this year from the Public Works Construction Act appropriation, the bulk of which has still to be spent, and all signs, including the greater abundance and cheapness of mortgage money, indicate that the period of abnormally low activity for this important industry has been reached and passed.

The value of mineral production in 1934 surpassed not only that of 1933 but also that of any other year in the history of the industry except 1929 and 1930. In physical volume, the output of metals established several new all-time records. Nickel production, for instance, showed an increase of 56 per cent over 1933 and 18 per cent over 1929, the previous record year. Copper output was 22 per cent above that for 1930, the previous high year, while lead and zinc also established new records. In ounces produced, the gold mining industry did not reach the output of its maximum year 1932, but it showed a small increase over 1933 and at current world prices, averaging $34.50 per fine ounce in 1934 against $28.60 in 1933, the value of its product exceeded $102,000,000, a new high record. The figures so far available for February show substantial increases over February of last year for copper and nickel exports and the production of gold, zinc and asbestos.

In the forestry group of industries activity during 1934 was greater than in any year since 1930. Lumber production in British Columbia exceeded two thousand million board feet, representing an increase of 26 and 42 per cent as compared with 1933 and 1932 respectively. The bureau's index for employment in the logging industry was 87·5 per cent higher than in 1933. The increase in lumbering activity was reflected in an active export trade in planks and boards, the export movement being greater than in any year since 1930 and exceeding 1933 by over 34 per cent. The important newsprint industry regained in 1934 a level of activity exceeded only by that of 1929 but distressingly low prices and surplus plant capacity still leave this industry in an unsatisfactory condition.

The output of electric power in 1934 was the highest ever recorded in this country. Kilowatt hours produced registered a gain of 20·6 per cent over 1933 and one of 17 per cent over 1930, the previous maximum year. The expansion in this industry reflects increasing industrial activity but it is also in part due to the increased use of electrical appliances or processes in home and factory and the increasing sales of secondary power for steam production.

Appreciable gains were also shown by our transportation statistics which are among the more significant measures of general business improvement. In 1934, total freight cars loaded were 14·4 per cent in excess of 1933, and for the first nine weeks of 1935 the increase over the corresponding period in 1934 was approximately 6 per cent, despite the lessened movement of grain. The gain in gross operating revenues of the Canadian National for 1934 was 11 per cent while the Canadian Pacific reported an increase of 10·2 per cent over the preceding year.

When we come to agriculture, we also find substantial improvement. The wheat crop was only slightly above that of 1933 but the average cash price of No. 1 Northern at Winnipeg was 81 cents per bushel from August to December, 1934, compared with 65·1 cents in the corresponding period of 1933, and consequently the value of the crop was over 33 per cent greater. According to the estimates of the bureau of statistics the value of all field crops produced in 1934 was $544,975,000, a gain of $91,377,000 over the preceding year. For our live stock industry one of the most reassuring developments in recent years has been the revival in the last few weeks of the export of Canadian cattle to the United States. After being practically excluded from that market by the Hawley-Smoot tariff of 1930, and the very low prices prevailing in that country during 1933 and 1934, our cattle are once more on an export basis due to the recent sharp increase of prices in United States markets, and shipments during the three weeks ended March 15 were approximately double the total for the entire year 1934. This welcome development does not appear to be merely a temporary one, in view of the drastic reduction in the number of live stock in the United States resulting from last season's drought and feed shortage.

However, it must be admitted that conditions in agriculture still leave much to be desired. It is for this reason that so much of the legislation sponsored by this government during the last two or three years has been devoted to improving the condition of the farmer. I refer particularly to the Natural Products Marketing Act, the Farmers' Creditors Arrangement Act and the various amendments to the Canadian Farm Loan Act designed to provide agricultural credit at low

rates, and also to the assistance given by way of guarantee to prevent demoralization in wheat prices.

The unsatisfactory conditions in agriculture and certain other primary industries are in the main due to the low level of international trade resulting from the spread throughout the world of exaggerated economic nationalism, excessive interferences with trade through quotas and exchange controls, and fluctuating currencies. In these circumstances it was inevitable that those countries which chiefly produce primary products—which must depend in large part upon world markets for their sale—were bound to be adversely affected by these world-wide conditions.

At a later stage I will discuss in some detail the statistics regarding our export and import trade. But before doing so it is well to call to mind the forces and policies which govern international trade to-day and their operation and application in every leading country in the world. In a word, it is idle to expound theories and futile to expatiate on the obvious desirability of greater freedom of trade. We are confronted with realities—in other words, we must face facts.

In 1930, when this government came into office, tariffs were higher against the products of Canada in the markets of the world than at any previous time in our history. In many countries throughout the world new and higher barriers had been erected against Canadian exports. In June, 1930, the Hawley-Smoot tariff had come into operation in the United States, increasing to practically prohibitive levels the duties on many of our leading products and imposing duties on other Canadian goods which had formerly been free of duty. In Europe, which provides the outlet for most of our wheat, drastic measures had been enacted to protect domestic producers from the effect of the marked fall in prices. The milling quota, the most effective device which could be employed in keeping out our product, was first introduced in Germany in July, 1929, and was subsequently adopted in France, Italy and many other countries which heretofore had afforded our best markets. Coincident with the introduction of this device the duties on wheat were increased to levels considerably in excess of the world price of this commodity.

With the wave of economic nationalism spreading throughout the world we accepted the logic of the situation and directed our efforts towards expanding our markets in those countries associated with us by special ties. Within a few weeks of assuming office the Prime Minister in the autumn of 1930 at the imperial conference strongly advocated the adoption of a policy of reciprocal preferential tariffs within the empire, and this policy was ultimately adopted at the conference which met in Ottawa in response to his invitation in 1932. The trade agreement concluded with the United Kingdom at the Ottawa conference gave Canadian primary products a privileged position in the world's greatest and most stable market, and also embraced larger preferences in the vast colonial empire which have been of great value to our trade in automobiles and other manufactured goods.

Other agreements were concluded at this conference with the Irish Free State, the Union of South Africa and Southern Rhodesia. Prior to the conference, trade agreements had been negotiated by the Canadian government with Australia and New Zealand, both of which have had very beneficial effects on our trade. There can be little doubt that this series of agreements with empire countries has been of vast assistance in enabling Canada successfully to weather the storm of the present depression. Upon reflection one can readily discern what would have been the dire effects upon our trade without these agreements during a period when other countries were progressively closing their markets to imported goods.

In 1933, at the world economic conference the delegates from Canada strongly advocated the general adoption of a policy of removing the excessive restrictions which were strangling world trade, and the responsibility for the failure to adopt it must rest elsewhere. Since that time we have been carrying on negotiations with various individual countries some of which have been completed, others are still in progress. During the last few days you have been made acquainted with the comprehensive trade agreement which has been concluded with France and which, it may be said, for the first time places our trade relations with that country on an entirely satisfactory basis. Negotiations have been practically completed with Poland for a treaty which will enable Canadian trade to be carried on satisfactorily with that growingly important country from which, in the absence of a treaty, our products have been hitherto almost entirely excluded.

During recent months, an opportunity has presented itself for the first time since this government assumed office to enter into negotiations with a view to effecting a trade agreement with the United States of America.

In June last, the United States congress passed an act which empowered the president to enter into trade agreements with foreign countries, and where necessary or appropriate to carry out the terms of an agreement to proclaim decreases to an amount not greater than 50 per cent in existing duties without the necessity of ratification by congress.

Pursuant to the provisions of this act, the Secretary of State on January 21 last gave formal notice of his intention to negotiate a treaty with Canada. In conformity with the terms of the act, the dates of March 11 and March 18, respectively, were fixed for the reception of written and oral representations with respect thereto by a committee appointed by the president for this purpose.

These negotiations will be actively prosecuted by the government of Canada, and every possible step is being, and will be taken with the object in mind of effecting a satisfactory trade agreement, having for its aim the lowering of trade barriers with consequent increased flow of trade resulting in mutual advantage.

It may also be added that negotiations are now in progress with the representatives in Canada of two other important countries, looking toward an agreement which will mean wider markets for some of our chief primary products.

This brief outline of trade and tariff developments would be incomplete—especially as indicating the purpose of the government to stimulate trade—without summarizing our accomplishment during a period when trade barriers have been higher and more difficult to surmount or remove than at any time in world history. We have not only maintained the trade agreements which were in effect when we assumed office, but we have also greatly improved our position by making the following additional agreements, several of which are of major importance:

1. A comprehensive preferential agreement with the United Kingdom embracing within its terms the colonial empire as well.

2. A new and enlarged agreement with Australia.

3. For the first time, formal agreements with New Zealand, South Africa, Southern Rhodesia, and the Irish Free State.

4. A trade treaty of broad scope with France, which, for the first time, is mutually binding and mutually satisfactory, in place of one which involved the granting of fixed rates by Canada without corresponding obligations by France and which did not give us the French minimum tariff on all our leading exports to that country.

5. A commercial arrangement securing most favoured nation treatment from Germany, a country with whom our trade relations had long been unsatisfactory.

6. An arrangement securing most favoured nation treatment from Austria.

7. An arrangement whereby we obtained most favoured nation treatment from Brazil.

8. A comprehensive agreement with Poland now ready for signature.

In addition, we have entered into negotiations for trade agreements with the United States of America and with two other important European countries.

This record of accomplishment speaks for itself.

Reference has been made to the expansion which has occurred in most of the major branches of economic activity. It is pertinent to ask what has been the effect of this business expansion upon the absorption of unemployment, the most pressing social and governmental problem of the depression years.

A much higher level of employment was maintained in 1934 than in the preceding year, a gain of 15·1 per cent being registered by the bureau's index of employment. On February 1st this index stood at 99·9 a rise of 3·5 per cent from February 1, 1934, and of 25·8 from April 1, 1933. Based on reports from 8,992 employers, the bureau of statistics estimates that the total increase in employment in Canada during the past year was at least 65,000 persons, and since April 1, 1933, the low point in employment, no less than 340,000 persons. Advance reports for March 1st show a substantial further improvement in the employment situation. Despite this increase in employment, the number remaining on the relief rolls is still large. For February, the latest month for which the information is available, the number of families on relief was 259,918, which represents a decrease of 23,756 families from the same month of last year and a decrease of 25,921 families from March, 1933. The total number of individuals on relief, including dependents, was 1,229,935 in February which is a decrease of 117,285 from February of last year, and of 265,031 from March, 1933. These numbers should be substantially further reduced during the next few months as a result of the public works construction program undertaken by the government which is to be augmented by legislation to be introduced later in the session.

In the budget a year ago were reviewed the steps which the government had taken to foster a rise in commodity prices and promote a lowering of interest rates. These efforts have been continued but because of obvious inter-

national factors the movement towards rising price levels has made comparatively slight progress during the past year. In Canada fluctuations in wholesale prices during 1934 were of minor importance. The index, it is true, averaged 6·7 per cent higher than during 1933 but it did not at any time move far from the line of 72 per cent of the 1926 average and on March 1, 1935, stood at 72·3 as compared with 72·2 on March 1, 1934. But while the index as a whole remained comparatively stable, a most reassuring development occurred in the form of a considerable correction of some of the disparities which the drastic fall of prices had created and which constitute the most serious aspects of a depression. Thus during the year ended March 1, the wholesale prices of Canadian farm products rose by no less than 8·6 per cent, as contrasted with practically no increase at all in the general index. Similarly the prices of raw and partly manufactured goods increased 3·7 per cent while those of fully and chiefly manufactured products showed no change. The correction of such maladjustments between the various types of prices is one of the most significant measures of the progress of economic recovery.

Interest is one of the rigid factors in our price structure, and as the burden of interest charges still constitutes a pressing problem for most public bodies and many private individuals, it is gratifying to record the rather striking success which has attended the comprehensive program sponsored by the government to bring down interest rates to a level more in line with other prices and with our present productive capacity.

The various steps in this program are a matter of record. With our encouragement, the rate paid on savings deposits by banks and other financial institutions, which is the basic rate in our interest rate system, has been lowered in two or more successive stages to a minimum of 2 per cent. Huge conversion operations have been undertaken to refund outstanding dominion direct and guaranteed loans on a lower interest basis, as such loans matured or became callable. In the last five years this government has converted over $1,100,000,000 of public debt with an attendant saving in fixed charges of over $14,600,000 per year. During the present year, if market conditions continue favourable, we expect to effect further substantial economies through the same process. In this connection it is of interest to note that if we assume that the total dominion and Canadian National Railway obligations which become due or callable before the end of 1937 could be refunded at approximately the present level of interest rates, the total saving in interest plus the increase in income tax due to the elimination of our remaining tax-free bonds, as nearly as can be estimated, would relieve the dominion exchequer of not less than 16 million dollars per year.

A beginning has been made in improving the organization of the short-term money market in Canada and we are hoping that a further substantial contribution to this end may be made by the Bank of Canada. Short-term money rates have been somewhat out of line with long-term rates in this country and their abnormally high level has been a factor retarding the trend to lower long-term rates. We have also so administered the inadequate machinery of the Finance Act and so used the resources provided by the Dominion Notes Act amendment last year as to contribute to greater monetary ease and prevent a tendency towards deflation and the consequent strain that would probably otherwise have prevailed. Finally, and perhaps of most importance, we have striven under great difficulties to press forward towards budgetary balance with all reasonable speed, and to deal with our finances generally in such manner as to deserve the high credit standing which alone justifies and secures low interest rates.

That our efforts have been successful is amply confirmed by the rise in high grade bond prices and by the high prices at which our obligations are currently selling in the investment markets. During 1934 the bureau's index of interest rates fell 21·6 per cent. The bid quotation for the dominion government 4½ per cent bond due in 1959 rose from 99·37 at the beginning of the year to 110·75 at the close. Perhaps the best indication of the improvement is to be found in the fact that in December last we were able to sell a 16 year 3 per cent guaranteed Canadian National Railways bond in the amount of $20,500,000 on a basis to yield the public 3·02 per cent. Such a rate has never before been attained in this country.

This improvement in the yield on dominion bonds has been reflected in more or less similar advances in provincial, municipal and corporate bonds, depending on the credit of the particular borrower. This is characteristic of the rise of security prices in all periods of revival; recovery comes first in the prices of bonds of the highest grade, and then spreads out gradually to the second and other grades of securities. Last fall some of the eastern provinces were able to borrow on exceptionally favourable terms and two of the western provinces succeeded in selling moderate-sized issues on a yield basis to the public of 4·36

and 4·20 per cent, respectively. It appeared that the time was fast approaching where practically all public bodies could secure the advantages of refunding outstanding issues at substantially lower interest rates, but a temporary clogging of the market and certain unfortunate, widely heralded statements have clouded the outlook for the time being. It is to be hoped that this situation is only a temporary one but it behooves all debtors to remember that credit is a tender plant and must be carefully cultivated.

Some of the provinces and many municipalities, have not yet been able to take advantage of the facilities now offered for refunding existing obligations at substantially lower rates but, provided that nothing untoward is done to affect adversely the credit of the particular borrower or the state of the general market, it should not be long before the present low interest rates can be made available to all worthy borrowers. It is recognized that for the time being the burden of fixed charges on outstanding debt incurred at relatively high rates in past years when borrowing was undertaken in some cases too optimistically, presses heavily on the financial resources of the public bodies concerned, especially when regard is had to the expenditures which have to be made for unemployment relief. This general problem has received the most careful consideration of the government and, as will be disclosed by our accounts which will be reviewed a little later, the dominion has come to the financial assistance of several of the provinces and indirectly through them of several municipalities, to the extent of approximately 75 million dollars.

From time to time suggestions have been made looking to elaborate programs for refunding the outstanding debt of all public bodies. These have all received detailed study and will continue to receive our attention. In the budget last year, I discussed some of the difficulties involved, including the technical difficulties resulting from the form in which most of our financing was done in the war and post-war years and the more important difficulty arising out of the fact that so large a proportion of our obligations is held by external investors. It may be taken for granted that neither this house nor the Canadian people would be willing to consider any program that involves any measure of repudiation. Consideration therefore has been given to the possibility of enabling the provinces to refund their floating debts by giving a dominion guarantee to new refunding issues. It will be recognized that such guarantees would imply adequate control over future provincial borrowing and the factors that might make such borrowing necessary. It is doubtful whether the provinces would be willing to meet the only conditions under which this type of solution would be practicable and sound, both in the interests of the dominion and the provinces themselves. This same type of consideration arises also in connection with the proposal to establish a loan council in Canada, somewhat along the lines of the Australian model. The wisdom of securing some such type of control as a loan council could give has long been recognized, if the financial mistakes of the post-war period are to be prevented in future, but whether the rigid type of control implied by a loan council or the more flexible and gradually evolving influence which the Bank of Canada may exert through making competent and disinterested advice available to public bodies is a question upon which opinions may well differ.

It will be recalled that last summer the Prime Minister issued an invitation for a dominion-provincial conference to be held before the close of the year. On the agenda of this proposed conference was placed amongst other matters the problem of the financial relations of the provinces and the dominion, including the consideration of a possible reallocation of tax sources as between the two jurisdictions and the practicability of various methods of cooperation in tax administration. It was not found possible for all provincial premiers to agree to a date for the holding of such a conference prior to the assembling of this parliament and the proposal had to be allowed to drop for the time being. It is unfortunate that it was necessary to postpone joint consideration of these and other similar important matters.

In the field of agriculture it was widely recognized that existing debts were in many cases clearly beyond the capacity of farmers to pay, even assuming reasonable improvement in business and commodity prices. It was the part of wisdom, therefore, to provide simple and inexpensive machinery whereby the liquidation of farm debts might be effected with due regard to the rights of debtor and creditors in each individual case and, so far as possible, by the process of negotiation and compromise. That machinery was provided by the Farmers' Creditors Arrangement Act and its success after only a few months of trial is now a matter of record. In numerous cases farmers have had their debt structures simplified and their fixed charges reduced to a point within the capacity of the farm enterprise to pay. From the national

point of view, the benefit of restoring their confidence and enabling them to remain on the land as willing and efficient producers is difficult to exaggerate. Admirably supplementing this act is the new Canadian farm loan legislation which provides for releasing to agriculture ample government funds at the cost to the government plus the expense of administration. Changes in the organization of the farm loan board will make it possible to bring these funds to efficient farmers in all provinces with a minimum of red-tape and a maximum of expedition.

The benefit of these steps which have been taken to reduce interest rates is not confined to the lessened burden of fixed charges to public bodies and private borrowers. Perhaps a more important advantage will accrue from the powerful stimulus which lower interest rates exert on business recovery. It is generally agreed that in the United Kingdom the recovery which has taken place traces its origin in large part to the creation of a condition of cheap and abundant money. Lower interest costs affect profits directly and make possible expansion of plant and equipment that would otherwise have been impossible because unprofitable. Low yields on high grade bonds force financial institutions and individual investors to seek out the larger returns that come from corporate securities and from mortgages. Already in Canada there are evidences that more and cheaper money is becoming available for mortgage purposes. This augurs well for further revival of the construction industry in which activity has been abnormally depressed and unemployment serious.

In the banking field the feature of the year has been the establishment of the Bank of Canada which began operations on March 11. The management which has been provided for this new institution commands, I am certain, the entire confidence of the Canadian people. The bank begins business with the goodwill and the support of the public as well as with the cooperation of the chartered banks with which it will have largely to deal. It may not be able to work the miracles which are expected from it in certain quarters but I am confident that in the coming years its contribution to the economic welfare of this dominion will be an important one. It will provide, what has long been needed, an undivided control, solely in the public interest, of the volume of currency and credit in use. It will, it is hoped, contribute to greater stability in our economic life, so far as this may be possible by the use of monetary methods. It will provide leadership for the first time to the financial community and assist in several ways in improving the organization and working of our whole financial system. I also expect much from the disinterested and competent advice on financial matters which it should be able to give, not only to the dominion government but also to provincial governments which may have found it difficult to keep closely in touch with conditions in the world's financial markets and which may in future avail themselves of the bank's services.

The bank will also provide an effective mechanism by which Canada may at the appropriate time execute such national policies as may be determined upon in regard to our future monetary standard. I have already referred to the retarding effect upon international trade of the chaotic condition of the world's basic currencies. For Canada, so heavily interested as she is in foreign trade and with such huge obligations payable abroad, this monetary instability is a factor of major importance. For a time last year it appeared that an approach to stability was gradually being achieved and that the working of economic forces was beginning to reveal the natural rates of equilibrium between certain countries which would make de facto stabilization possible. Recent events, however, indicate upon how slender a thread hangs the integrity of certain currencies, and suggest the possibility of a period of renewed fluctuations with consequent disturbances to trade and finance.

This is but one of the international factors which must be taken into consideration if we wish adequately to appraise the outlook for the coming year. The brief review given of economic developments in Canada during the past year would seem to justify a substantial degree of optimism as to the immediate future. That would be the case if we could consider solely our own position. But in these days nations do not live unto themselves alone, perhaps least of all, Canada! And no one can look out upon the world to-day without recognizing the political frictions that exist, the apparent beginning of a new armament race among the nations, the social and economic tensions that persist in many countries, the financial and exchange uncertainties, the obstinate adherence to extreme policies of economic nationalism, and the general absence of confidence, mutual trust, goodwill and the cooperative spirit upon which alone the needed international solutions of our common problems can be based.

As long as these adverse influences continue in the international field, they must be taken into our reckoning. We in Canada have long since passed the low point of the depression. We have been making splendid progress and that progress should continue—rapidly if world conditions favor, less rapidly if they impede. We have important continuing problems still to solve—the railway deficit, unbalanced budgets, unemployment—but these will be solved at the same pace as we succeed in restoring normal business conditions. We have moreover the more fundamental problem of adjusting our economic system to enable it to function with greater stability and with a greater measure of social justice. To this problem and its solution the government has devoted itself.

TRADE OF CANADA

The expansion of our external trade has continued on an accelerated scale. In the previous fiscal year the total of imports and exports showed a gain of 15 per cent over the year before. In the eleven months' period ended February 28th last, the rate of increase was 18 per cent over the corresponding period of 1933-34. The actual increase was $168,000,000 and the total volume was the best since 1931. Imports expanded at a rate of 23 per cent over the previous year, and exports by 15 per cent. In the earlier stages of trade recovery exports were increasing faster than imports.

World statistics show that in 1934 Canada again occupied fifth place in export trade, and stood ninth in imports and eighth in total international trade.

A statement of the total trade for the eleven months ended February 28th, with comparative figures, follows:

Trade of Canada
(excluding gold coin and bullion)
(000 omitted)

	Eleven months ended February 28, 1934	February 28, 1935	Increase
Imports	$ 386,279	$ 474,240	$ 87,961
Exports—			
Canadian produce	521,706	601,376	79,670
Foreign produce	5,585	6,731	1,146
	$ 913,570	$1,082,347	$ 168,777

For the fourth successive year Canada's exports have exceeded imports, the favourable balance in the eleven months' period being nearly $134,000,000. This figure is for merchandise only and does not include the export of current gold production which adds a further $100,000,000 annually to credits available in external markets for the liquidation of interest due abroad and other debit items in international settlements.

The following statement shows the balance of trade in merchandise for the past six years:

Trade of Canada
(excluding gold coin and bullion)
(000 omitted)

Eleven months ended—	Imports	Exports	Balance
February 28, 1930	$1,135,248	$1,053,246	$(—) 82,002
February 28, 1931	831,232	760,733	(—) 70,499
February 29, 1932	521,056	546,547	(+) 25,491
February 28, 1933	373,421	443,553	(+) 70,132
February 28, 1934	386,279	527,291	(+)141,012
February 28, 1935	474,240	608,107	(+)133,867

The effective operation of the empire trade agreements is reflected in the statistics of intra-empire trade. In the ten months ended January 31st, the latest date to which figures of trade by countries are compiled, exports to the United Kingdom, our largest market, recorded an increase of nearly 22 per cent. For all empire countries the increase was 24 per cent. Exports to Australia showed a gain of 52 per cent, to New Zealand, 72 per cent, to British India, 21 per cent, and to South Africa, 76 per cent.

On the other hand, exports to foreign countries increased by only 6 per cent. Exports to all countries increased by nearly $71,000,000 in the ten months' period, and of this amount, $56,000,000 or 79 per cent was accounted for in increased exports to empire countries.

Since 1932, the year of the imperial conference, the value of our export trade to the United Kingdom has increased by 52 per cent. This gain has been a material factor in improving conditions in a wide variety of Canadian industries. In 1934 the exports of agricultural products exceeded those of 1932 by $16,600,000; in animals and animal products, the advance was $24,000,000; in wood products, chiefly lumber, it was $14,500,000, and in nonferrous metals and their products, including copper, lead, nickel and zinc, the gain was $31,000,000.

Imports from the United Kingdom have increased in the last ten months by $8,000,000, or 9 per cent. In 1934 they exceeded those of 1932 by 21 per cent. The main increases in imports were in textiles, iron products and chemicals. Imports from other empire countries increased in the ten months' period as follows: Australia, 19 per cent; New Zealand, 22 per cent; and British India, 31 per cent.

Figures showing the trade with the empire in the last ten months are as follows:

Intra-Empire Trade of Canada
(excluding gold coin and bullion)

	Ten months ended January 31, 1934	Ten months ended January 31, 1935
Imports from United Kingdom	$ 87,114,091	$ 95,292,201
Exports to United Kingdom	191,277,804	232,987,396
Imports from British Empire	116,599,414	134,246,466
Exports to British Empire	231,648,330	287,587,697

Empire countries are supplying a little over 30 per cent of our purchases abroad. At the same time, they absorb over one-half of our exports.

A statement, by percentages, showing the distribution of import and export trade, excluding gold coin and bullion, follows:

Percentage Distribution of Trade of Canada
(excluding gold coin and bullion)

	Imports		Exports	
	Ten months ended January 31		Ten months ended January 31	
	1934 %	1935 %	1934 %	1935 %
United Kingdom	24.70	21.80	39.53	42.01
British Empire	33.06	30.71	47.87	51.85
United States	53.73	56.91	33.04	33.74
Other Countries	13.21	12.38	19.09	14.41

Despite many unfavourable influences, further progress has been made in the restoration of world trade from the disastrously low levels to which it had fallen. Canada has been in the forefront of the leading countries of the world ranked according to the rate of improvement, thus testifying to the effectiveness of our trade agreements and the initiative and enterprise of those engaged in industry and trade. The improvement which has taken place in this, as well as in the other fields of activity to which reference has been made, has had a favourable influence upon the dominion's financial statement, which will now be reviewed.

REVENUES 1934-35

As the current fiscal year has still some days to run and more than a month will elapse before the Dominion accounts are closed for the year, it will be understood that the figures now to be presented, both as to the year's revenues and expenditures, are to some extent estimated. Judging by past experience, however, they may not be expected to vary materially from the final result.

For the first time since 1930, receipts from taxation will yield the expected return. When presenting the budget last year, the outlook for a greater volume of business was so promising that substantially increased yields from current rates of taxation were forecast. Notwithstanding some loss in revenue due to changes made in taxation measures when the budget was before parliament, the receipts from taxation will amount to $306,050,000, almost the identical figure estimated in the previous budget. This is an increase of $34,200,000 over the previous year and is all

the more satisfactory in the light of the substantial reductions in taxation effected last year, particularly the fifty per cent cut in the sugar tax and in the special excise tax on imports under the British preferential tariff which, together, involved a loss in revenue of not less than $10,000,000. It is noteworthy that every month in the year showed an increase over the corresponding month of the previous year and the rate of improvement has been maintained throughout the year.

Customs

Reflecting the continued, even though moderate, expansion in international trade, customs import duties will yield $77,300,000, an increase of $11,000,000 over the previous year. Excise duties, imposed chiefly on liquors and tobaccos, will amount to $44,600,000 exceeding the collections of 1933-34 by $9,000,000.

The income tax, the rates of which were not altered last year, will bring in a total of $65,600,000, the highest figure for four years, and $4,200,000 in excess of the previous year's collections. To the extent of about $3,100,000 this increase is due to credits transferred from the gold tax at the end of the fiscal year to be applied, in accordance with the statute, against the income tax liability of gold mining companies. This amount can be regarded as in the nature of a prepayment of income tax.

With the adjustments that have been made from time to time in the scale of taxation, the income tax has been one of the steadiest sources of income in the past four years, notwithstanding fluctuations in the general level of incomes and profits.

Upwards of $11,000,000 more than in the previous year will be obtained from the sales tax, the yield from which will be $72,600,000. The other special excise taxes will bring $39,800,000, a decline of $5,300,000 from the year before due to the reductions in taxes already referred to.

The gross collection from the gold tax to the end of the fiscal year will be $7,084,000. It is estimated that $3,100,000 of this amount will be applied as a credit on the income tax payable by the several mining companies subject to the tax. This will reduce the net return for the year from the gold tax to $3,984,000.

The following table sets out the yield from taxes for the past five years:

Taxation Revenue
(000 omitted)

—	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Customs Import Duties	131,209	104,133	70,073	66,305	77,300
Excise Duties	57,747	48,655	37,834	35,494	44,640
War Tax Revenues—					
Banks	1,429	1,390	1,328	1,336	1,386
Insurance Companies	74	12	826	742	740
Delayed Business Profits	34	3	.....	.....	.....
Income Tax	71,048	61,255	62,067	61,399	65,600
Sales Tax	20,784	41,734	56,814	61,392	72,600
Manufacturers', importation, stamp, transportation taxes, etc	13,951	17,872	25,377	45,184	39,800
Tax on Gold	.....	.....	.....	.....	3,984
Total receipts from Taxation	296,276	275,054	254,319	271,852	306,050

Non-Tax Revenues

Revenues derived from the various departmental services of government, will amount to $53,300,000, an increase of $1,100,000 over the previous year. The main items under this heading are interest on investments, which is expected to amount to $11,400,000 (some $260,000 in excess of the amount from the same source the year before), and Post Office revenues which will be $31,184,000 an increase of almost $300,000 over the previous year. On reference to the expenditure statement, it will be found that the operations of the Post Office were conducted without any increase in cost, in fact, there was a slight reduction from the previous year the expenditure being $30,528,000. The surplus on Post Office operations will therefore be over $600,000 as compared with one-half that figure a year ago. The accounts of the Post Office do not, of course, take into consideration the rental value and other costs of premises occupied. On the other hand, no credit is given the Post Office for services rendered other departments through the free use of the mails.

A statement of non-tax revenues for the past five years follows:

Non-Tax Revenues

—	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Canada Grain Act	2,179,047	1,484,826	1,444,840	1,235,621	1,271,000
Canada Gazette	71,197	73,590	73,836	55,722	48,000
Canals	1,026,671	976,845	831,020	877,630	858,000
Casual	3,210,394	3,757,821	3,192,144	3,613,157	3,569,000
Chinese Revenue	21,996	10,059	8,652	6,237	7,000
Dominion Lands	1,655,401	485,364	458,934	418,729	499,000
Electricity	632,151	402,189	298,352	440,290	465,000
Fines and Forfeitures	433,716	233,512	212,075	177,812	93,000
Fisheries	73,937	40,519	4,429	39,508	41,000
Gas Inspection	94,255	81,359	84,078	76,186	91,000
Insurance Inspection	148,942	149,902	160,298	148,535	139,000
Interest on Investments	10,421,224	9,330,125	11,220,989	11,148,232	11,410,000
Marine	199,000	191,905	178,118	207,532	204,000
Mariners' Fund	201,768	184,485	179,461	188,054	188,000
Military College	19,882	20,045	20,116	20,317	20,000
Military Pensions Revenue	159,000	163,229	166,414	165,207	164,000
Ordnance Lands	29,384	14,250	16,677	17,855	15,000
Patent and Copyright Fees	559,646	525,248	539,341	429,341	352,000
Penitentiaries	183,288	166,111	121,426	97,962	63,000
Post Office	30,212,326	32,234,946	30,928,317	30,893,157	31,184,000
Premium, Discount and Exchange	501,610	.....	145,938	.....	500,000
Public Works	362,391	280,591	212,829	249,721	244,000
Radio Licences	468,093	528,924	1,414,132	1,291,485	1,488,000
R.C.M.P. Officers' Pensions	6,357	14,787	12,050	12,444	9,000
Weights and Measures	419,750	406,529	394,222	399,717	402,000
	53,291,426	51,757,161	52,318,688	52,210,451	53,324,000

Special Receipts

There has been received by way of transfer from the custodian of enemy property, the sum of $3,000,000. With this addition, the revenue from all sources will amount to $362,370,000, as compared with $324,480,000 in 1933-34, an increase of $37,890,000.

The aggregate revenues for the five-year period are shown in the following tabulation:

Summary of all Revenues
(000 omitted)

—	1930-31	1931-32	1932-33	1933-34	Estimated 193 -35
	$	$	$	$	$
Receipts from taxation	296,276	275,054	254,319	271,852	306,050
Non-tax revenues	53,291	51,757	52,318	52,210	53,324
Consolidated fund receipts	349,567	326,811	306,637	324,062	359,374
Special receipts	6,622	7,028	4,493	418	3,000
Grand Total	356,189	333,839	311,130	324,480	362,374

EXPENDITURES 1934-35

Ordinary Expenditures

The ordinary expenditures for the year, it is estimated, will be $356,600,000, which is approximately $2,200,000 lower than the amounts authorized by vote and statute. While there is an increase of $10,000,000 over the figure of the year before, it is $26,000,000 below the ordinary expenditure in the year 1930-31. The increase has not resulted from any general expansion in departmental activities but rather is accounted for, in the main, by increases in several of the uncontrollable expenditures and by provision made for some new services. The largest single item of increase is for Old Age Pensions which will require $2,600,000 over the figure of the previous year. The expenses of the dominion franchise commissioner in connection with the registration of voters and preparation of the election lists, will involve a new expenditure of $1,560,000. An increase of $1,500,000 under the Department of Railways and Canals is made up, in part, of the special vote of $500,000 for the railway grade crossing fund, $100,000 for the encouragement of tourist traffic and $785,000 being the dominion's contribution towards the cost of a subway tunnel under the

Lachine Canal in the city of Montreal. Under the Department of Pensions and National Health an additional expenditure of $500,000 has been required for war veterans' allowances. In addition, there has been absorbed, as new services, the cost of administration of the Farmers' Creditors Arrangement Act and the Natural Products Marketing Act.

A statement of ordinary expenditures for the last five years follows:

Statement by Departments of Expenditure for the Last Five Fiscal Years

(000 omitted)

Ordinary Account	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Agriculture	10,119	10,212	8,066	6,996	7,273
Auditor General's Office	416	436	380	376	378
Civil Service Commission	343	306	244	221	225
External Affairs, including Office of the Prime Minister	928	994	863	974	1,481
Finance—					
Interest on Public Debt	121,290	121,151	134,999	139,725	138,529
Premium, Discount and Exchange (net)	.....	728	.....	167	.....
Subsidies to Provinces	17,436	13,695	13,677	13,728	13,769
Special Grants to Maritime Provinces	1,600	1,600	1,600	1,600	1,600
Other Grants and Contributions	778	536	499	398	471
Civil Pensions and Superannuation	1,476	1,405	1,075	1,009	953
General Expenditure	1,794	1,845	2,046	3,148	3,945
Fisheries	2,435	2,046	1,787	1,596	1,662
Governor General's Secretary's Office	142	148	136	136	132
Immigration and Colonization	2,588	2,200	1,689	1,369	1,297
Indian Affairs	6,069	5,081	4,499	4,380	4,340
Insurance	178	180	161	152	165
Interior	8,104	4,647	3,454	2,833	2,837
Justice	2,538	2,560	2,458	2,435	2,766
Penitentiaries	3,237	2,737	2,870	2,677	2,748
Labour	797	633	605	560	586
Technical Education	391	283	202	129	150
Old Age Pensions	5,658	10,032	11,513	12,314	14,900
Legislation—					
House of Commons	1,721	1,982	2,210	986	1,803
Library of Parliament	76	81	65	69	71
Senate	568	650	747	286	495
General	65	79	81	62	95
Dominion Franchise Office	.....	.....	.....	.....	1,560
Chief Electoral Officer, including elections	2,256	145	56	32	135

Statement by Departments of Expenditure for the Last Five Fiscal Years—*Concluded*
(000 omitted)

Ordinary Account	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Marine	8,030	7,262	5,801	5,439	5,911
Canadian Radio Broadcasting Commission	.....	.....	149	1,025	1,252
Mines and Geological Survey	1,420	1,264	1,048	909	1,009
Movements of coal and Dominion Fuel Act	514	721	1,220	2,772	2,450
National Defence—					
Militia Service	10,953	9,700	8,719	8,774	9,335
Naval Service	3,598	3,043	2,167	2,171	2,222
Air Service	7,147	4,040	1,731	1,685	2,262
Sundry Services	1,928	1,347	1,078	791	371
National Revenue (including Income Tax)	13,972	13,920	10,846	10,354	10,264
Pensions and National Health—					
Treatment and after-care of returned soldiers	9,774	11,154	10,066	9,124	9,687
Pension, war and military	45,541	48,249	45,079	43,883	43,638
Health Division	1,342	1,246	924	802	817
Post Office	37,892	36,052	31,607	30,554	30,528
Privy Council	54	53	47	49	46
Public Archives	212	212	174	157	210
Public Printing and Stationery	295	289	231	172	388
Public Works	25,453	17,648	13,108	10,827	10,106
Railways and Canals	4,479	3,997	3,667	3,315	4,864
Maritime Freight Rates Act	3,615	2,555	1,921	1,989	2,573
Royal Canadian Mounted Police	3,192	3,488	5,626	5,315	6,000
Secretary of State	479	483	418	387	385
Soldier Settlement Board	1,300	1,036	818	810	766
Trade and Commerce—					
Department	4,955	6,417	3,277	3,007	3,197
Mail subsidies and steamship subventions	1,323	2,999	2,081	2,221	2,280
Canada Grain Act	2,356	2,306	2,026	1,759	1,711
Total ordinary expenditure	382,827	365,873	349,811	346,649	356,638

Capital Expenditures

Under capital expenditures, the chief item amounting to $4,900,000 is for dredging the river St. Lawrence ship channel. Comparatively small amounts have been required for the Welland ship canal and towards completion of the Hudson Bay railway and terminals. The total for the year will be $7,100,000, an increase of $600,000 over the expenditure of the previous year. The estimates provided for an expenditure on capital account of $7,246,000.

A comparative statement of capital expenditure over the five year period follows:

Capital Expenditures
(000 omitted)

——	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Canals	9,842	3,299	3,027	1,975	317
Railways	6,371	6,242	1,503	737	530
Public Works	12,009	7,439	4,018	3,778	6,289
Total capital expenditure	28,222	16,980	8,548	6,490	7,136

Special Expenditures

Special expenditures will total $66,100,000, of which $60,400,000 represents payments in the fiscal year for unemployment relief measures. This amount is much greater than in any previous year as will be seen from the following statement of expenditures for unemployment relief since 1930-31:

1930-31	$ 4,432,000
1931-32	38,295,000
1932-33	36,721,000
1933-34	35,898,000
1934-35	60,448,000
Total	$175,794,000

The estimated expenditure in the present fiscal year has been made for the following purposes:

Direct relief	$33,500,000
Dominion contribution to provincial and municipal works and undertakings	5,110,000
Public Works Construction Act, 1934	8,500,000
Dominion contribution to relief in Saskatchewan drought area	5,000,000
Other expenditures, including dominion projects, camps for single homeless unemployed men, etc.	8,338,000
Total	$60,448,000

The disbursements for direct relief have been much greater than the actual expense incurred in the fiscal year period. In the first place, it will be remembered that the Relief Act of 1933 limited the amount which could be expended for direct relief to $20,000,000. This resulted in a carryover from last year amounting to $9,360,000, which has been disbursed in the present fiscal year. Furthermore, the institution of monthly grants in aid to the provinces covering the dominion's contribution for relief expenditure from August 1st last, has had the effect of bringing up to date the dominion's share of direct relief expenditure, whereas in previous years the usual delay in the presentation of accounts first by the municipality to the province and then by the province to the dominion, had the effect of creating a very considerable lag in the disbursements. At the present time, the monthly grants to the provinces amount to $1,751,000.

It is estimated that up to the end of March, $5,000,000 will be paid out by way of advance to the province of Saskatchewan for relief in the drought area and actual disbursements by the province are being checked by a representative of the dominion stationed at Regina. A final decision has not yet been reached with the province as to the amount of the cost of these relief measures which will be assumed by the dominion and, in the meantime, the sums which have been advanced have been accepted by the province as loans for which security has been given. In order, however, that our statement of expenditures for the year may be as inclusive as possible of obligations relating to the year, our estimated expenditures as listed above include the whole of the $5,000,000 made available to Saskatchewan to date for disbursement to farmers in the drought area.

The program of dominion public works under the Public Works Construction Act passed at the last session, provided for a total expenditure of $39,690,000. While the actual disbursements to the end of the fiscal year will be about $8,500,000, contracts and commitments actually made to date are in the neighbourhood of $25,000,000.

A comparative statement showing Special Expenditures under the different heads for the past five years follows:

Special Expenditures
(000 omitted)

—	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Adjustment of war claims	110	91	55	56	60
Cost of loan flotations	193	1,350	1,639	2,550	2,860
Miscellaneous charges	2,955	3,500	2,951	2,517	2,383
Reparations-claims for compensation	500	1,331	188	.....	6
Unemployment relief, 1930	4,432	13,190	548	4	3
Unemployment relief, 1931	.....	25,106	17,048	564	55
Unemployment relief, 1932	.....	.....	19,125	6,948	310
Unemployment relief, 1933	.....	.....	.....	28,382	2,430
Unemployment relief, 1934	.....	.....	.....	.....	49,150
Wheat bonus	.....	10,908	1,811	.....	.....
Reduction of loans to soldier settlers	8,599	.....	.....	1,766	400
Public Works Construction Act	.....	.....	.....	.....	8,500
Total special expenditures	16,789	55,476	43,365	42,787	66,157

Loans to Provinces

It has again been necessary, as in the previous three years, for the dominion to assist the four western provinces by the granting of loans to enable them to finance, in part, provincial and municipal expenditures for relief and to make loans to farmers in distressed areas for the purchase of seed grain, feed, etc.

During the year, several of the provinces were able, by reason of their improved budgetary position and the strength of investment markets, to make public issues of

securities and they were not obliged to rely wholly upon the dominion for their borrowings. The aggregate of the loans by the dominion, however, was large, the net amount, after crediting repayments, being $23,300,000, divided among the provinces as follows:

Manitoba	$ 2,900,000
Saskatchewan	10,500,000
Alberta	1,900,000
British Columbia	8,000,000
	$23,300,000

The net amount of loans outstanding at the end of the previous fiscal year was $51,300,000 which, with the net loans granted in the current year of $23,300,000, brings the total of dominion assistance to the four western provinces by way of loan under the relief acts, to $74,600,000. Short date Treasury Bills bearing interest at the rate of 5 per cent to July 1st last and 4½ per cent thereafter, have been tendered by the provinces in respect of the loans. Interest has been paid in cash by the provinces of Manitoba, Alberta and British Columbia as it became due, but the province of Saskatchewan, being unable to meet such payments, has covered the interest accruals by tendering their treasury bills.

A statement of the loans to date by provinces, showing the purposes for which they were granted, follows:

Loans to Provinces under Relief Acts
Estimated Net Outstanding March 31, 1935

—	Loans to meet maturing obligations and interest	Loans specifically for Agricultural Relief, including feed and seed grain	Loans for provincial purposes generally including public works and direct relief	Total
	$	$	$	$
Manitoba	3,425,316	265,000	9,418,313	13,108,629
Saskatchewan	3,934,341	7,892,633	22,662,452	34,489,426
Alberta	3,142,000	2,235,000	6,600,000	11,977,000
British Columbia	5,298,664	.....	9,715,571	15,014,235
	15,800,321	10,392,633	48,396,336	74,589,290

Loans and Advances—Non-active

The total outlay under this head will be $1,700,000, as compared with over $3,000,000 last year. These are amounts paid for deficits and capital requirements of the Canadian National Steamships, the deficit of the Jacques Cartier bridge, Montreal, and for loans to several of the harbour commissions. Being non-interest producing, these advances are treated as additions to the net debt.

It is gratifying to note that the operations of the Canadian National Steamships have shown a marked improvement over the previous year. The cash deficit of the West Indies Service amounted to $567,000, as compared with $968,000 in 1933. The ships remaining in the Canadian Government Merchant Marine fleet operated in 1934 at a cash loss of $127,000, as compared with $18,000 in the previous year. In addition, $43,000 was provided from dominion funds for capital expenditures on the West Indies ships. The total amount required for the steamships in respect of operations in 1934 was therefore $737,000. The merchant marine, due to curtailment in operations, found it possible to return to the dominion a further $250,000 advanced some years ago for working capital, and with the application of this credit, the net amount required for shipping services this year will be $487,000. The amount paid to the Montreal harbour commission for the deficit on the Jacques Cartier bridge was $434,000, bringing the total amount which the dominion has had to pay since 1930, to $2,022,000.

Non-active loans to the harbour commissions at Chicoutimi, Halifax, Quebec, Saint John and Three Rivers, will total $802,000.

A statement of non-active advances for the past five years follows:

Loans and Advances, Non-Active
(000 omitted)

	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Loans to Can. National Steamships..	1,827	1,199	1,383Cr.	14Cr.	487
Loans to Harbour Commissioners..	3,661	1,913	4,898	2,110	1,237
Can. Pacific Railway (Relief Acts)..	—	—	1,447	1,000	—
Accounts carried as Active Assets transferred to Non-active..	—	—	62,938*	—	11
	5,488	3,112	67,900	3,096	1,735

* Canadian National Railways—Loans of 1931-32 .. .. $41,121
Sundry Harbour Commissions—Advances prior to 1932-33 21,817

In addition to the advances to harbour commissions treated in our accounts as non-active, there has been made in the past year a comparatively small amount of loans to the harbour commissions at Montreal and Vancouver. As interest is paid by these commissions on the loans which they have received from the treasury, they are carried in the accounts as active assets.

For purposes of record, there is submitted a statement showing loans to all harbour commissions for the past five years and the aggregate to date, which has now reached the large sum of $138,000,000:

Advances to Harbour Commissions
(000 omitted)

—	1930–31	1931–32	1932–33	1933–34	Estimated 1934–35
	$	$	$	$	$
Chicoutimi	846	465	324	332	256
Halifax	3,539	2,752	1,023	151	65
Montreal	2,291	1,412	584	449	97
Montreal Bridge deficit	170	534	395	489	434
New Westminster	.....	189	66	19	.....
Quebec	3,491	1,379	341	107	4
Saint John	1,094	5,764	2,654	924	471
Three Rivers	1,544	747	160	107	6
Vancouver	2,802	809	.....	1,208	296
	15,777	14,051	5,547	3,786	1,629

Advances to Date
(000 omitted)

Chicoutimi..	$ 3,539
Halifax..	8,833
Montreal..	58,519
Montreal Bridge deficit..	2,022
New Westminster..	275
Quebec..	26,261
Saint John..	13,219
Three Rivers..	2,700
Vancouver..	22,921
	$138,289

Canadian Farm Loan Board

New capital furnished to the Canadian Farm Loan Board in the year will amount to $353,000, bringing the total investment of the dominion to $8,856,000.

Bonds of the board are now purchased on a basis of 4 per cent instead of 5 per cent, as formerly, and a corresponding reduction has been made in the cost of money to farmers who borrow from the board.

Canadian National Railways

The amount required in cash from the dominion treasury for deficit of the Canadian National Railways decreased by $10,500,000 in 1934, as compared with 1933. Increased earnings, on the one hand, and decrease in the charges for exchange involved in payment of interest abroad, were the main factors in this improvement. Gross earnings were greater by $16,400,000, or 11 per cent, and while operating expenses were somewhat larger than the estimated figures presented in the railway budget, the outcome on the whole was slightly better than anticipated at the beginning of the year. The amount required for deficit, after payment of interest due the public, and taken into the accounts of the dominion as an expenditure for the year, amounted to $48,400,000, as compared with $58,900,000 in 1933. While this reduction in the deficit affords a very welcome relief to

the treasury and tax-payer, the deficiency which still remains is of such proportions as to constitute a most serious drain on our resources.

Actually, the books of the company show a loss in 1934 of $89,600,000. This figure can be reconciled with the amount of our payment by deducting $36,000,000 for accrued—but unpaid—interest on government advances and $5,200,000 for various charges not involving cash outlay on the part of the railway.

In addition to provision for the deficit, the dominion furnished by way of loan $579,000 for capital expenditures and $10,170,000 for retirement of miscellaneous maturing debt, making a total paid on all accounts in respect of the operations in the year 1934, of $59,100,000. The budget of the railways, as presented to parliament, provided for a total amount of $65,200,000. It will be seen, therefore, that the net requirements for the year were $6,000,000 less than estimated, accounted for mainly by savings in capital expenditures.

In addition to the assistance granted in cash, the dominion guaranteed an issue of 3 per cent 16-year bonds to the amount of $20,500,000 issued and payable in Canada only, for the purpose of refunding $17,060,000 Canadian Northern dominion guaranteed 4 per cent debenture stock which fell due on September 1st last and $3,510,000 Great Northern Railway Company of Canada 4 per cent bonds due October 1st last. The cost of this flotation to the company was 3·10 per cent, the resultant saving in interest charges being about $200,000 annually.

On February 15th last, another issue of Canadian Northern Railway Company 4½ per cent dominion guaranteed bonds fell due, payable in Canada and New York, and was provided for, pending a suitable opportunity for the issue of long-term securities, by the issue of 2 per cent temporary guaranteed bonds. No public sale took place in this connection, $6,831,000 having been advanced from the dominion treasury and the balance of $10,169,000 having been secured by the sale of temporary bonds to trustees of railway equipment issues.

The debt of the Canadian National Railway system, outstanding in the hands of the public is now $1,238,000,000, having been reduced by $15,000,000 in the past year. Of the amount outstanding, $956,000,000 are obligations guaranteed by the dominion.

A further improvement in railway earnings is anticipated in the year 1935 and the estimates of the company are based upon a further reduction of $4,400,000 in the deficit, bringing the loss to $44,000,000. In addition, the company will require $5,500,000 for capital expenditures and $25,700,000 for retirement of capital obligations, including sinking funds and equipment principal payments and the $17,000,000 bond maturity on February 15, 1935, already referred to. The total of these amounts is $75,200,000.

The following statement summarizes the financial requirements of the Canadian National Railway system in respect of the calendar year 1934, as compared with their budget figures and with their actual requirements in 1933:

Canadian National Railways

Financial Requirements

—	Actual 1934	Budget 1934	Actual 1933
	$	$	$
By Cash:			
Deficit—			
System (ex. eastern lines)	42,589,825	43,240,298	52,263,819
Eastern lines	5,818,076	5,600,000	6,691,569
	48,407,901	48,840,298	58,955,388
Capital expenditures	578,991	4,202,007	1,958 116
Debt retirement	10,170,618	12,185,828	11,269,985
	59,157,510	65,228,133	72,183,489
Less working capital available	.....	.....	5,000,000
Total	59,157,510	65,228,133	67,183,489
By guarantee:			
1934 Long Term Refunding (Maturities $20,573,583)	20,500,000	20,500,000	.....

Summary of Expenditures

The grand total of expenditures for the year, under all heads, including relief and railway deficit, will be $480,000,000. This is an increase of $22,000,000, as compared with 1933-34, which is more than accounted for by the increase in unemployment relief outlays.

A summary of expenditures, with comparisons for the previous four years, is now submitted:

Summary of Expenditures
(000 omitted)

—	1930-31	1931-32	1932-33	1933-34	Estimated 1934-35
	$	$	$	$	$
Ordinary expenditures	382,827	365,873	349,811	346,649	356,638
Capital expenditures	28,222	16,980	8,548	6,490	7,136
Special expenditures	16,789	55,476	43,365	42,787	66,157
Loans and advances, non-active	5,488	3,112	67,900	3,096	1,735
Canadian National Railway deficits—					
System ex. eastern lines*	.....	.....	53,423	52,264	42,590
Eastern lines	6,712	6,632	8,717	6,691	5,818
	440,038	448,073	531,764	457,977	480,074

*Corresponding figures for operations in the years 1930 and 1931 were $28,425,000 and $52,256,000 respectively. The losses in 1930 and 1931 were financed by loans and/or guarantee of securities. Government loans of $41,121,000 in respect of 1931 operations appear in the above statement under Loans and Advances Non-active for the year 1932-33.

Net result of Year's Operations

Taking the ordinary revenues for the year at $359,300,000 and ordinary expenditures at $356,600,000, there is a resulting surplus on ordinary account of $2,700,000. This is the first surplus on ordinary account since 1929-30, and compares with a deficit of $22,000,000 last year and $43,000,000 the year before.

There are, of course, to be taken into consideration, capital and special expenditures, less special receipts, and loans and advances non-active, to arrive at the net result for the year on government operations. These amount to $72,000,000, and wipe out the surplus on ordinary account, producing a deficit of $69,300,000.

Adding the railway deficit of $48,400,000, the total increase in debt for the year becomes $117,700,000. The corresponding figure for the previous year was $133,500,000, indicating an over-all improvement of $15,800,000.

It may be useful at this point to analyze the increase of debt which the dominion has had to assume in the past five years and to indicate briefly the purposes for which the added obligations have been incurred. The net debt has risen by $669,900,000 since the end of 1929-30. The present administration took office in August, 1930, after the budget for 1930-31 had been determined and, with the exception of unemployment relief expenditure of $4,400,000, the deficit of $83,800,000 incurred in that year cannot properly be attributed to its period of office. For the purpose of making a complete presentation, however, the year 1930-31 is included in this computation.

The largest single factor contributing to the increase of our debt has been the deficits of the Canadian National Railway system. The total expenditure in that connection has been $223,900,000, accounting for 34 per cent of the increase in debt in the period. Undoubtedly, the falling-off in traffic due to the depression would in any event have imposed serious burdens on the public, but the problem was rendered particularly acute by reason of the dead-weight of railway debt incurred for railway expansion in the previous eight-year period, much of it payable in external currencies.

Next in order of importance comes the expenditure for unemployment relief and wheat bonus, aggregating $188,500,000, representing 28 per cent of the total increase in debt.

Deficits on ordinary account, due to the falling off in taxation revenues and notwithstanding drastic curtailment in expenditures and personnel of government departments, amounted to $135,350,000, or 20 per cent of the additional debt incurred in the period.

Capital expenditure on public works totalled $67,300,000, or 10 per cent. Of this amount $28,200,000 was incurred in the year 1930-31 alone.

Loans and advances, non-active, chiefly to harbour commissions and steamships, amounted to $40,200,000, or 6 per cent. The greater

part of the expenditure for harbour commissions, amounting to $35,600,000, arises out of projects initiated and carried on before the present government took office. The expenditure was then carried in the accounts as active assets and excluded from the net debt. These so-called assets were written down in 1932-33, as the commissions had no revenues over operating expenses to support this debt.

The balance of the debt increase is made up of miscellaneous special expenditures, totalling $14,500,000, or 2 per cent.

A brief statement accounting for the increase of debt is now submitted:

Increase of Net Debt, March 31, 1930, to March 31, 1935

	Amount	Per cent
Canadian National Railway deficits	$223,970,000	34
Unemployment relief and wheat bonus	188,500,000	28
Deficits on ordinary account	135,350,000	20
Capital expenditures	67,380,000	10
Loans and advances, non-active	40,200,000	6
Other special expenditures, less special receipts	14,500,000	2
Increase in net debt, 1930-35	$669,900,000	100

While the debt figures have grown in the five year period to the extent indicated, fortunately the annual interest burden has not increased in anything like the same proportion, due to the notable savings made through debt refunding operations. In actual fact, the annual charges on the total interest-bearing debt of the dominion, funded and unfunded, have increased by only $14,300,000 in the five years. This is the measure of the additional burden in fixed charges in the period of the depression. Had the new debt been incurred at the average rate now prevailing, and had there been no such savings through refunding. the addition to the debt charges would have been almost twice as large.

Furthermore, it should be pointed out that $3,450,000 of the increased debt charge of $14,300,000, arises out of the transfer this year of 3 per cent dominion bonds to the Bank of Canada in respect of the outstanding note issue not covered by gold or silver. There will be on the revenue side an off-setting item, at least in part, to the interest payable on these bonds in the profits which the bank will turn back to the government. The transaction is more in the nature of an internal financial arrangement than the creation of a new debt, an interest bearing liability having, for the purposes of the establishment of the bank, been substituted for the non-interest bearing liability formerly represented by the uncovered note issue.

Controllable and Uncontrollable Expenditures

The fixed and uncontrollable expenditures of government in the current year will total about $233,000,000 and the controllable, $138,000,000; that is, out of every $100 spent by the government, nearly $63 is required for interest, pensions, provincial subsidies, ex-soldiers' care, and similar items. This computation, as in past years, excludes the cost of unemployment relief and the Canadian National Railway deficit.

It may be opportune to call attention again to the reduction which has been made in controllable expenditures since 1930-31. While uncontrollable items exceed those of 1930-31 by $21,500,000 the main increases being in interest on public debt and old age pensions, the controllable expenditures on ordinary account now stand at $45,500,000 below the figure of four years ago, a reduction of 26 per cent. Capital and other expenses are down by $33,600,000, making a total reduction of $79,100,000.

The decrease in ordinary expenditures has involved not only the closest scrutiny of estimates and careful administration on the part of the spending departments, but a continuous supervision of personnel and spending policy through the treasury board. The actual decrease in the number of government employees since 1930, including fluctuating as well as permanent staffs, has been 12,700, with a resultant saving in salaries and wages exceeding $12,000,000 a year, apart altogether from the amount of $7,300,000 arising from the operation of the Salary Deduction Act.

The first and fundamental step in the strengthening of treasury control of expenditures in the past four years, was the revision of the Consolidated Revenue and Audit Act and the consequent reorganization of governmental accounting staffs instituted at the instance of the Prime Minister in 1931. Since that date, there has been an increasing degree of treasury control of expenditures. The advantage to the tax-payer has been apparent from the figures cited above. It is to be

expected that with the addition of new governmental functions under the legislation of parliament, as, for example, unemployment insurance, there will be some expansion in the ordinary expenditures of government and, with improvement in business and expanding revenues, some additional amounts will be required for existing services which have been placed upon short ration in recent years. Nevertheless, the dominion's fixed obligations are such as to require, for some years in the future at least, most prudent and economical administration. To that end, the technique of control, which has been developed in recent years, will need to be maintained and strengthened wherever possible.

In submitting the expenditure statement classified under the headings "Controllable" and "Uncontrollable," the comparative figures for the year immediately before the war, 1913-14, are given as a matter of record. It will be recalled that last year attention was drawn to the fact that after eliminating Post Office expenditures, for which there are compensating revenues, the ordinary controllable services were costing on a per capita basis practically the same figure as in 1913-14. The same situation holds in so far as the current year's expenditures are concerned. As pointed out last year, this fact is all the more impressive in indicating the economies which are now being observed when one considers the large amounts involved in expenditures to-day for which there was no counterpart in 1913-14, for example, air services, radio services and broadcasting, research bureau and coal movement subsidies.

A statement comparing the controllable and uncontrollable expenditures in the years 1913-14, 1930-31 and 1934-35, showing the percentages of the total required for the various services, is now submitted:

Expenditure, Uncontrollable and Controllable

(000 omitted)

—	1913–14		1930–31		1934–35	
	Actual Expenditure	Percentage of total Expenditure	Actual Expenditure	Percentage of total Expenditure	Based on Estimates	Percentage of total Estimates
	$		$		$	
In General Uncontrollable—						
Interest on Public Debt	12,894	9·36	121,290	28·28	138,529	37·32
European war pensions	.....	.....	44,234	10·31	42,000	11·31
Old age pensions	.....	.....	5,658	1·33	14,900	4·01
Other pensions and superannuation	756	0·55	4,628	1·07	4,626	1·25
Care of returned soldiers	.....	.....	10,183	2·37	10,137	2·73
Subsidies to provinces	11,280	8·19	19,036	4·44	15,369	4·14
Other items	3,101	2·25	6,657	1·56	7,540	2·03
Total Uncontrollable	28,031	20·35	211,686	49·36	233,101	62·79
Controllable—						
Ordinary—						
Agriculture, including Marketing Act	3,271	2·37	10,119	2·36	7,273	1·96
Fisheries	1,655	1·20	2,275	0·53	1,502	0·41
Indian Affairs	2,120	1·54	5,847	1·36	4,104	1·11
Interior	5,132	3·73	8,104	1·89	2,837	0·76
Justice—including penitentiaries	2,469	1·79	5,775	1·35	5,206	1·40
Marine—including radio commission	4,915	3·57	8,030	1·87	7,163	1·93
Mines—including movements of coal	741	0·54	1,934	0·45	3,459	0·93
National Defence	12,011	8·72	23,626	5·51	14,190	3·82
National Revenue	5,124	3·72	13,972	3·26	10,264	2·77
Post Office	13,566	9·85	37,892	8·83	30,528	8·22
Public Works	20,288	14·73	25,453	5·94	10,106	2·72
Railways and Canals	2,279	1·65	4,043	0·94	4,639	1·25
Royal Canadian Mounted Police	1,101	0·80	3,005	0·70	5,773	1·56
Trade and Commerce	5,323	3·87	8,407	1·96	7,021	1·89
Other services	7,009	5·09	16,723	3·90	15,601	4·20
	87,004	63·17	175,205	40·85	129,666	34·93
Capital—						
Railways	7,103	5·16	9,842	2·29	530	0·14
Canals	2,847	2·07	6,371	1·49	317	0·09
Public Works	10,100	7·33	12,009	2·80	6,289	1·70
	20,050	14·56	28,222	6·58	7,136	1·93
Special, including Miscellaneous Charges	32	0·02	9,456	2·21	635	0·17
Loans and advances non-active	2,612	1·90	4,325	1·00	680	0·18
Total Controllable	109,698	79·65	217,208	50·64	138,117	37·21
Total uncontrollable and controllable	137,729	100·00	428,894	100·00	371,218	100·00
Not included in the above—						
Canadian National Railways Deficits	.....	.....	35,137	.....	48,408	.....
Unemployment Relief	.....	.....	4,432	.....	51,948	.....
Public Works Construction Act	.....	.....	.....	.....	8,500	.....
Canadian Government Railways—						
Capital and deficit	17,295	.....	.....	.....	.....	.....
Railway subsidies	19,036	.....	.....	.....	.....	.....

LOAN FLOTATIONS

In the fiscal year 1934-35 the dominion issued loans in three markets—London, New York and Canada. These loans were made for refunding, as well as for current requirements.

[Mr. Rhodes.]

In May last, an issue of £10,000,000 3¼ per cent registered stock was sold in London at a price of 96.50, or at an interest cost of 3.48 per cent. The issue will mature May 1, 1955 with the right to call at par on or after May 1, 1950. Part of the proceeds of this issue

was used to pay off the 3½ per cent sterling loan dated June 1, 1884, and maturing June 1, 1934. The amount of this loan outstanding was £4,822,029, of which £2,086,776 was held in the sinking fund. The balance of the proceeds was used for current purposes, including a temporary loan to the Canadian National Railways to enable it to redeem stock on the London register of the issue maturing September 1st, already referred to. The government was later reimbursed by the issue of guaranteed railway securities in Canada.

The $60,000,000, 4 per cent notes due October 1, 1934, in New York, were called for redemption on September 1st. A one-year banking credit was obtained from New York banks at a rate of 2 per cent to the amount of $50,000,000 to pay off the called notes. The balance of $10,000,000 was met out of current cash resources.

On November 1st, last, the unconverted balance of the 1919-34 Victory loan amounting to $222,216,850 matured. To meet this maturity, the 1934 Refunding loan was issued in Canada on October 15th. This loan was offered in four maturities; two-year bonds with interest at 2 per cent, five-year with interest at 2½ per cent, eight-year with interest at 3 per cent and fifteen-year bonds with interest at 3½ per cent. The fifteen year bonds were made subject to call, at the option of the government after ten years. The two-year bonds were offered at 98.90 to yield 2.57 per cent, the five-year at 98.15 to yield 2.90 per cent, the eight-year at 97.00 to yield 3.43 per cent and the fifteen-year at 96.50 to yield 3.81 per cent.

A small concession in interest and, on the two longer maturities, a premium on the maturing bonds, was offered to those who converted into the new issue. The total amount of Victory bonds converted into the new issue was $157,369,900, or nearly 71 per cent of the amount outstanding. Cash subscriptions totalled $119,405,100, of which only $86,170,200 was accepted.

The practice of issuing treasury bills by public tender was continued. The most recent issue, was made yesterday when $15,000,000 of three months' bills were sold at an average discount rate of 1·76 per cent. The following is a statement of the issues made:

Treasury Bills Sold by Public Tender

April 18, 1934—
due July 1, 1934—$ 1,600,000 sold at an average cost of .. .. 2.41 per cent
due Oct. 1, 1934— 13,400,000 sold at an average cost of .. .. 2.71 per cent
November 1, 1934—
due Feb. 1, 1935— 1,600,000 sold at an average cost of .. .. 2.35 per cent
due May 1, 1935— 18,400,000 sold at an average cost of .. .. 2.47 per cent
February 1, 1935—
due May 1, 1935— 18,300,000 sold at an average cost of .. .. 2.05 per cent
March 22, 1935—
due June 22, 1935— 15,000,000 sold at an average cost of .. .. 1.76 per cent

The School Lands 5 per cent debenture stock, issued to the provinces of Manitoba, Saskatchewan and Alberta, matured on July 1, 1934, and was extended for a period of one year at the same rate of interest.

The issue of one-year 3⅞ per cent treasury bills to the amount of $50,000,000 that matured on August 1, 1934, was replaced by an issue of one-year treasury bills bearing interest at 2⅞ per cent.

In connection with the opening of the Bank of Canada there was issued to that institution in accordance with the Bank of Canada Act, $115,013,636.82 of 3 per cent five-year bonds. This issue was to provide for the portion of the dominion note issue that was not covered by gold or silver. On the same date $35,000,000 of three-months treasury bills were sold to the Bank of Canada at a discount of 1¾ per cent, to replace a similar amount of 4 per cent treasury bills held by the chartered banks.

Reference has already been made to the large savings in interests charges arising from refunding operations in the past four years. It is noteworthy that as a result the average interest rate on the dominion's funded debt and treasury bills has now been reduced to 4.15 per cent, compared with a hight point of 5.204 per cent in 1922.

The following is a statement of the unmatured funded debt and treasury bills of the dominion outstanding at March 31st, 1935, showing also the annual interest charges thereon:

Unmatured Funded Debt and Treasury Bills, as at March 31, 1935, and Annual Interest Charges

Date of Maturity	Rate	Where Payable	Amount of Loan	Annual Interest Charges
	%		$ cts.	$ cts.
1935 April 30	1¾	Canada	2,540,100 00	44,451 75
April 30	2	Canada	3,407,630 26	68,152 61
April 30	2	New York	2,737,986 67	54,759 73
July 1	5	Canada	33,293,470 85	1,664,673 54
Aug. 1 (a)	5	Canada and New York	874,000 00	43,700 00
Aug. 1	2⅞	Canada	50,000,000 00	1,437,500 00
Sept. 1	2	New York	50,000,000 00	1,000,000 00
Oct. 15	4	Canada	25,000,000 00	1,000,000 00
Oct. 15	3½	Canada	89,393,000 00	3,128,755 00
1936 Feb. 1	4½	New York	40,000,000 00	1,800,000 00
Oct. 15	2	Canada	63,336,000 00	1,266,720 00
Nov. 15	5	Canada	79,535,200 00	3,976,760 00
1937 Mar. 1 (a)	5	Canada and New York	89,787,100 00	4,489,355 00
Dec. 1 (a)	5½	Canada	236,299,800 00	12,996,489 00
1938 July 1	3	London	8,071,230 16	242,136 90
July 1	3	London	18,250,000 00	547,500 00
July 1	3	London	10,950,000 00	328,500 00
July 1	3½	London	15,056,006 66	526,960 23
1939 Oct. 15	4	Canada	47,269,500 00	1,890,780 00
Oct. 15	2½	Canada	7,933,000 00	198,325 00
1940 Mar. 1	3	Canada	115,013,636 82	3,450,409 10
Sept. 1	4½	Canada	75,000,000 00	3,375,000 00
1941 Nov. 15	5	Canada	141,663,000 00	7,083,150 00
1942 Oct. 15	3	Canada	40,409,000 00	1,212,270 00
1943 Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944 Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
1945 Oct. 15	4	Canada	88,337,500 00	3,533,500 00
1946 Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
1947 Oct. 1	2½	London	4,888,185 64	122,204 64
1949 Oct. 15	3½	Canada	138,322,000 00	4,841,270 00
1950 July 1	3½	London	137,058,841 00	4,797,059 43
1952 May 1	5	New York	100,000,000 00	5,000,000 00
Oct. 15	4	Canada	56,191,000 00	2,247,640 00
1955 May 1	3¼	London	48,666,666 67	1,581,666 67
1956 Nov. 1	4½	Canada	43,125,700 00	1,940,656 50
1957 Nov. 1	4½	Canada	37,523,200 00	1,688,544 00
1958 Sept. 1	4	London	73,000,000 00	2,920,000 00
Nov. 1	4½	Canada	276,687,600 00	12,450,942 00
1959 Nov. 1	4½	Canada	289,693,300 00	13,036,198 50
1960 Oct. 1	4	London	93,926,666 66	3,757,066 67
Oct. 1	4	New York	100,000,000 00	4,000,000 00
Treasury Bills due May 1, 1935	2·47	Canada	18,400,000 00	454,480 00
Treasury Bills due May 1, 1935	2·05	Canada	18,300,000 00	375,150 00
Treasury Bills due June 11, 1935	1·75	Canada	35,000,000 00	612,500 00
Treasury Bills due June 22, 1935	1·76	Canada	15,000,000 00	264,000 00
			3,061,940,421 39	127,074,231 27

	$ cts.	%
Payable in Canada	2,268,673,737 93	74·09
Payable in Canada and New York	90,661,100 00	2·96
Payable in New York	292,737,986 67	9·56
Payable in London	409,867,596 79	13·39
	3,061,940,421 39	100·00
Less—Bonds and Stocks of the above loans held as Sinking Funds	54,532,688 09	
	3,007,407,733 30	

(a) Tax free in Canada.

Indirect Liabilities

Bonds bearing the guarantee of the dominion outstanding in the the hands of the public, at present amount to $987,300,000, a decrease of $6,000,000 in the year.

With reference to guarantees under the relief acts, no new commitments were entered into during the year and substantial reductions occurred in the amounts outstanding under guarantees given in previous years.

[Mr. Rhodes.]

The guarantee in connection with the financing of the completion of the Beauharnois power project terminated during the year without cost to the government. The Canadian Pacific Railway repaid bank loans to the extent of $12,000,000, reducing the amount of the guarantee correspondingly. The guarantee in connection with the province of Manitoba savings office was reduced by some $1,500,000. The guarantee of bank advances arising out of the operations of the Canadian Cooperative Wheat Producers Limited in connection with the marketing of wheat, was continued.

Apart from the wheat guarantee, which is for an unstated amount and is subject to fluctuation from day to day, the aggregate of guarantees under the relief acts is $65,717,000, a decrease of $27,500,000 in the fiscal year. The amounts of the different guarantees are as follows:

Guarantees Under Relief Acts	Estimated principle amount of guarantee outstanding Mar. 31, 1935
Province of British Columbia	$ 626,533
Province of Manitoba	5,894,127
Province of Manitoba Savings Office	9,327,327
Algoma Steel Corporation	445,000
Dominion Steel and Coal Corporation	800,000
Canadian Pacific Railway Company	48,000,000
Government of Newfoundland	625,000
Canadian Co-operative Wheat Producers Limited	Unstated

The following is a statement of the guaranteed bonds presently outstanding:

Bonds Guaranteed by Dominion Government as at March 31, 1935

Date of Maturity	Issue	Interest Rate	Amount Outstanding
		%	$
Sept. 1, 1936	Grand Trunk	6	24,220,000 00
Oct. 1, 1940	Grand Trunk	7	23,740,000 00
Dec. 1, 1940	Canadian Northern	7	23,779,000 00
July 1, 1946	Canadian Northern	6½	24,238,000 00
April 1, 1948	New Westminster Harbour Commission	4¾	700,000 00
Dec. 15, 1950	Canadian National	3	20,500,000 00
Sept. 1, 1951	Canadian National	4½	50,000,000 00
Aug. 1, 1952	Saint John Harbour Commission	5	667,953 04
July 10, 1953	Canadian Northern	3	9,359,996 72
Feb. 1, 1954	Canadian National	5	50,000,000 00
Sept. 15, 1954	Canadian National	4½	26,000,000 00
Mar. 1, 1955	Canadian National (West Indies) Steamships	5	9,400,000 00
June 15, 1955	Canadian National	4¾	50,000,000 00
Feb. 1, 1956	Canadian National	4½	70,000,000 00
July 1, 1957	Canadian National	4½	65,000,000 00
July 20, 1958	Canadian Northern	3½	7,896,555 51
May 4, 1960	Canadian Northern Alberta	3½	3,149,198 66
May 19, 1961	Canadian Northern Ontario	3½	34,229,996 87
Jan. 1, 1962	Grand Trunk Pacific	3	34,992,000 00
Jan. 1, 1962	Grand Trunk Pacific	4	8,440,848 00
Dec. 1, 1968	Candian National	4½	35,000,000 00
July 1, 1969	Candian National	5	60,000,000 00
Oct. 1, 1969	Canadian National	5	60,000,000 00
Nov. 1, 1969	Harbour Com. of Montreal	5	19,000,000 00
Feb. 1, 1970	Canadian National	5	18,000,000 00
By tenders or drawings	Canadian National	2	26,152,580 93
Various dates, 1935-54	City of Saint John Debs., assumed by Saint John Harbour Commissioners	Various	1,233,527 74
Various dates, 1935-36	Canadian National (temporary)	2	10,169,000 00
Serial—Feb. 1 and Aug. 1, 1935-38	Canadian National Equip. G	5	5,250,000 00
Perpetual	Grand Trunk Guaranteed Stock	4	60,833,333 33
"	Grand Trunk Debenture Stock	5	20,782,491 67
"	Great Western Debenture Stock	5	13,252,322 67
"	Grand Trunk Debenture Stock	4	119,839,014 33
"	Northern Ry. of Canada Deb. Stock	4	1,499,979 67
			987,326,599 14

The following statement of the assets and liabilities of the dominion, estimated as at March 31, 1935, completes the presentation of the financial record of the year:

Liabilities, March 31, 1935 (Estimated)

Bank circulation redemption fund		$ 6,696,000
Insurance and superannuation funds—		
Government annuities	$ 46,329,000	
Insurance fund, civil service	9,178,000	
Insurance fund, returned soldiers	13,474,000	
Retirement fund	7,968,000	
Superannuation funds	48,622,000	
		125,571,000
Trust funds—		
Indian funds	13,792,000	
Common school funds	2,675,000	
Contractors' securities deposits	850,000	
Other trust funds	2,575,000	
		19,892,000
Contingent and special funds		3,650,000
Post Office money orders, postal notes, etc., outstanding		3,750,000
Province accounts		9,624,000
Post Office savings bank deposits		22,500,000
Funded debt—		
Unmatured	3,007,408,000	
Matured but not presented for payment	4,050,000	
		3,011,458,000
Interest coupons matured but not presented for payment		1,700,000
		$ 3,204,841,000

Assets, March 31, 1935 (Estimated)

Active Assets—		
Cash, working capital advances and other current assets		$ 25,155,000
Gold Bullion account		2,750,000
Loans to provinces—		
Housing	$ 9,771,000	
Relief Acts	74,649,000	
		84,420,000
Loans to foreign governments—		
Greece	6,525,000	
Roumania	23,969,000	
		30,494,000
Loans to harbour commissioners—		
Montreal	58,519,000	
Vancouver	22,921,000	
New Westminster	275,000	
		81,715,000
Bond-holding account		4,444,000
Canadian National Railways		27,053,000
Canadian Farm Loan Board		8,857,000
Soldier and general land settlement		44,700,000
Seed grain and relief advances		2,385,000
Canadian government railways open and stores accounts		15,749,000
Deferred debits—		
Unamortized discount and commission on loans		29,441,000
		$ 357,163,000
Net debt March 31, 1935 (estimated)		2,847,678,000
Represented by—		
Non-active assets March 31, 1935 (estimated).		
Capital expenditures—		
Public Works, Canals	242,397,000	
Railways	443,712,000	
Public buildings, harbour and river improvements	258,414,000	
Military property and stores	12,035,000	
Territorial accounts	9,896,000	
		966,454,000

Loans, non-active—		
Canadian National Railways		655,527,000
Railway accounts (old)		88,399,000
Canadian National Steamships		15,840,000
Harbour Commissioners—		
Quebec	26,261,000	
Chicoutimi	3,538,000	
Halifax	8,833,000	
Saint John	13,219,000	
Three Rivers	2,700,000	
Montreal South Shore Bridge	2,022,000	
		56,573,000
Seed grain and relief advances		536,000
Soldier and general land settlement		16,514,000
Miscellaneous advances		3,538,000
Consolidated fund—		
Balance consolidated fund, brought forward from March 31, 1934	935,419,000	
Excess of expenditure over revenue, fiscal year ended March 31, 1935 (estimated)	108,878,000	
		1,044,297,000
		$ 2,847,678,000

WAYS AND MEANS, 1935-36

There remain to be considered proposals affecting our revenue position for the coming year. The gain of 12 per cent in the yield from taxation in the current year, after absorbing losses from downward revisions effected in the last budget, gives ground for satisfaction. The upward trend is continuing and I believe we are justified in anticipating with confidence further substantial additions to our income based upon the existing rates of taxation. It must not be overlooked, however, that some new expenditures will have to be met, including grants to the maritime provinces and British Columbia, reinstatement of a portion of salary deductions and expenses incidental to the operation of several of the important measures being dealt with by parliament at this session. Furthermore, although employment is increasing and railway earnings are higher, there will still be a heavy drain on our resources for unemployment and farm relief and payment of railway deficit.

Under these circumstances and with the expectation that improved conditions will render the burden somewhat less onerous than in the past few years, it seems to be the part of wisdom to budget for a further substantial increase of revenue, retaining, except for some adjustments that are not expected to alter the yield materially, the present scale of excise duties and taxes and securing some additional amounts from the income tax.

Income tax

In an address delivered a few weeks ago the Prime Minister made certain references to the necessity of changes in our income tax structure. It was pointed out at that time that incomes may be regarded generally as falling into two categories, which may be described broadly as earned income and investment income, and that this distinction which is recognized in the tax systems of other countries might fairly be held in mind when the question of distributing the burden incidental to providing increased social security was being considered.

With this principle in mind an important amendment to the Income Tax Act is being made. In order to provide additional revenue, it is proposed to levy a surtax on investment income. By investment income is meant interest, dividends, royalties, and like returns. This tax will not apply to wages and salaries up to $14,000. All income in excess of $14,000, for the purposes of this tax is to be regarded as investment income. A specific exemption of $5,000 is provided. That is to say, income up to $5,000 will not be subject to surtax even though all such income be investment income. Furthermore, if the ordinary personal exemption and the allowance for dependents exceed $5,000, exemption to the higher amount will be allowed.

The rates of surtax which are to apply to investment income range from 2 per cent on such income in the lowest category to 10 per cent on all income in excess of $200,000 and are as follows:

Included in any income exceeding	$ 5,000	but not exceeding	$ 10,000	— 2 per cent
Included in any income exceeding	10,000	but not exceeding	14,000	— 3 per cent
On any income exceeding	14,000	but not exceeding	20,000	— 3 per cent
On any income exceeding	20,000	but not exceeding	30,000	— 4 per cent
On any income exceeding	30,000	but not exceeding	50,000	— 5 per cent
On any income exceeding	50,000	but not exceeding	75,000	— 6 per cent
On any income exceeding	75,000	but not exceeding	100,000	— 7 per cent
On any income exceeding	100,000	but not exceeding	150,000	— 8 per cent
On any income exceeding	150,000	but not exceeding	200,000	— 9 per cent
On any income exceeding	200,000			—10 per cent

Further changes in the Income War Tax Act are to be made as a result of new arrangements regarding the tax on the premium value of gold. You will remember that the Prime Minister, when discussing this tax last year, emphasized its temporary nature and also that specific provision was made in the act for its termination. It was recognized that increasing costs due to a rising price level must inevitably wipe out the extraordinary gains which were the basis of this tax. Consequently, the tax was levied only for a definite period which expires May 31, 1935. It has been decided to adhere to the original intention and the tax therefore lapses on that date.

However, changes are to be made in the income tax regulations providing for depletion allowances, which, together with the remaining two months' yield from the gold tax, should compensate for the termination of the gold tax.

With regard to the existing regulations allowing depletion to mines, it is believed that several of these provisions have been unduly generous in their operation. Not only has it been pointed out that the specific rate of 50 per cent, in the case of precious metal mines could fairly be reduced, but also that the granting of depletion at the present rates to both corporation and shareholder cannot well be defended.

The rate of depletion allowance granted to precious metal mines is to be reduced from 50 per cent to 33⅓ per cent.

And, dividends received by shareholders are to be taxed by reducing the allowance from 50 to 20 per cent.

Other changes in the Income War Tax Act include an increase in the corporation income tax from 12½ per cent to 13½ per cent and more drastic provisions with regard to consolidated income returns designed severely to restrict this privilege and, when consolidation of returns is allowed, the rate of tax is to be 15 per cent as compared with the present 13½ per cent rate.

Finally, it is proposed to levy a tax on gifts. This form of tax, adopted by many countries, is being imposed primarily to operate as a deterrent to transfers of property by gift, chiefly within family groups which would have the effect of reducing personal income to lower brackets and thus securing income tax assessment at rates lower than would otherwise be applicable. It is particularly expedient to introduce this measure at this time in view of the higher rates of taxation provided for in the new surtax on investment income. Not only should this tax put our income tax structure on a more secure foundation but also it should operate in a like manner with regard to succession and inheritance taxes levied by the provinces.

The rates at which gifts are to be taxed are as follows:

Up to and including	$ 25,000			2%
Exceeding	25,000	but not exceeding	$ 50,000	3%
Exceeding	50,000	but not exceeding	100,000	4%
Exceeding	100,000	but not exceeding	200,000	5%
Exceeding	200,000	but not exceeding	300,000	6%
Exceeding	300,000	but not exceeding	400,000	7%
Exceeding	400,000	but not exceeding	500,000	8%
Exceeding	500,000	but not exceeding	1,000,000	9%
Exceeding	1,000,000			10%

The tax shall not apply to gifts between husband and wife, nor to gifts to minors, as under the present act the donor in such cases continues to be taxed on the income from the property so transferred.

Certain classes of gifts are to remain free from tax such as, for example, gifts made for charitable, religious, educational, scientific or literary purposes, or to the dominion, any province or political sub-division thereof for

public purposes. Furthermore, gifts in the aggregate not exceeding $1,000 a year are to be free from tax.

The above amendments are to come into force as from the commencement of the 1934 taxation period and to be applicable to fiscal periods ending therein, and to all subsequent periods, except in regard to depletion allowances to those mining companies whose principal product is gold and which have been subject to the gold tax, in which case the change will be effective as from the commencement of the 1935 taxation period and will be applicable to fiscal periods ending therein and to all subsequent periods. The gift tax also shall only be applicable with respect to gifts made after the commencement of the 1935 taxation period.

It is estimated that on account of the above changes in the Income Tax Act revenues therefrom will be increased by not less than $12,000,000.

Sales tax

The proposed changes in the taxes levied under the Special War Revenue Act are few in number and of minor importance. Most of the changes are merely to remove existing anomalies.

With regard to the sales tax the present 6 per cent rate will be continued and the only changes in the exemption list are the addition of casein, grain separators or seed cleaning machines, pit props and packwood for use exclusively in mines. Two other alterations have been made in order to provide that goods given away or distributed free, that is to say, advertising samples, will not be subject to the sales tax and that articles produced in institutions for the deaf and dumb shall be taxed at only half the standard rate.

Excise taxes

The present excise taxes now being levied will remain unaltered. It is proposed, however, in order to prevent the falling off in revenue now obtained from the tax on matches, to impose a new tax of 20 per cent on cigarette lighters.

With regard to the 3 per cent special excise tax on imports you will remember that last year a reduction of one-half was made in the rate applying to imports under the British preferential tariff. It is now proposed to grant complete exemption to these imports in future. Otherwise, apart from a minor addition to the exemption schedule, the special excise tax remains unaltered.

Excise duties

With regard to excise duties we are making an important change in order to protect our revenues. The present levy on spirits, which is $7 per gallon, is to be reduced to $4. Our revenues from spirits, including customs and excise duties, have fallen from 41 million dollars in 1930 to 12¼ million in 1934. It is apparent from these figures that drastic action is necessary. Not only from our own point of view is this reduction expedient, but many of the provinces also have indicated the extreme difficulty of maintaining revenues which it is claimed are being seriously undermined through the unduly high rates of excise now obtaining and the wide discrepancy which exists between our rates of duty and those which are in effect in the United States. This lowering of the rate will bring our levies on spirits into line with those which prevail south of the border, and should be effective in eliminating illicit sales which would otherwise continue as a constant menace to our revenues. Our object is to secure increased returns by diverting into legal channels purchases which are now made illegally. Our gain will be at the expense of the existing illicit trade.

In order to ensure that the consumer will obtain the full benefit of this reduction and that our efforts to stamp out the smuggling trade will not be nullified, it is provided that in event of the failure of other authorities to pass on to the public the full amount of this decrease the governor in council may at any time suspend the operation of the new rate and the existing $7 rate will then again come into force.

It might be mentioned here in passing that appropriate reductions are also being made in the customs duties on spirits imported into Canada.

Customs Tariff

Proposed amendments to schedule A of the customs tariff, while not numerous, are of considerable interest, from both a Canadian and an empire point of view. In a general way, these may be tabulated as follows:

Reductions under all tariffs	12
Reductions under British preferential tariff only	34
Reductions under intermediate tariff only	1
Reductions under British preferential and intermediate tariffs	1
Increases in intermediate and general tariffs only	3
Increases under all tariffs	1
Clarifications of wording	24
	76

I may here interject that any and all increases thus indicated were arrived at as a result of the findings of the tariff board in a number of cases, which I shall file at the conclusion of my address.

Reductions in the British preferential tariff are numerous and important. The following goods are accorded free entry under that tariff: fire brick; chequered steel plates; piston-ring castings, not machined; box-end machines; diesels and semi-diesel engines; low-rating internal combustion engines; chassis for electric trolley buses and for motor-driven cars for use on railway lines; artists' and pupils' colours; chloride of lime; aircraft and parts; press matrices, and advertising matter descriptive of empire products; toy construction sets; brass band instruments; unbound and paper bound books; wooden doors; melton cloth and slipper cloth; and mining locomotives.

Under the same tariff—and that only—the following are reduced in rate: Certain woollen and worsted fabrics (following an inquiry by the tariff board); various essences and extracts; cigarette papers, whether gummed, ungummed or in books or tubes; cut, pressed and moulded glass products; fire engines; pressed steel railway wheels; linen fire hose; leather belting; toys of pressed steel; and rugs and carpets of stated values per square yard.

One other commodity group has been selected for a drastic reduction, limited also to the British Preferential tariff, viz.; spirituous liquors. It is proposed to reduce by $3 per gallon of proof the preferential tariff rate on imported spirits, to accompany the excise reductions previously referred to. Further, action by order in council is contemplated whereby, in future, the internal excise duties levied in British countries will be disregarded in ascertaining the value for duty of liquors imported into Canada under the British preferential tariff. A feature of these downward revisions in the spirits schedules is provision for a three dollar per gallon reduction in the duty levied on rum from the British West Indies.

Enumeration of those goods in which tariff reductions are limited to the British preferential column leads, at this point, to a brief reference to the fact that, under a resolution moved to-day, the governor in council is empowered to extend within the confines of the empire the benefits of the most favoured tariff treatment accorded to any foreign country. Anomalous as it may seem, no empire area has, in the past, been treated as a "most favoured nation" in that sense of the term, and to-day's proposed legislation is, for various reasons, of more than academic interest and value. It may be announced at once that the first order to issue under this enabling legislation will be one extending these benefits to the United Kingdom and Northern Ireland.

Reference to the fact that to-day's resolutions add no fewer than twenty important commodities to the free list under the British preferential tariff provides an opportunity to point to the record of this government in that regard. Since the emergency session of 1930—in spite of the distressing conditions then and later prevailing, with increases in tariff the order of the day rather than reductions—more than 250 items of the Canadian schedules have been definitely reduced in rate under the British preferential tariff, and of these at least 150 have been made entirely free of duty. These calculations are in general, and are not meant to include those reductions in duties, or removal of restrictions, which have been incidental to amendments in the wording or arrangement of items in the schedules.

Reductions are not confined to the British preferential tariff. Those intended to apply under all tariffs relate, inter alia, to diabetic breads, titanium pigments, certain films, several gauges of fence wire, chock releases, backed burlap, cocoa matting and various parts for motor trucks.

Increases under all tariffs number one: On slide or hookless fasteners. Three commodities will bear higher rates under the intermediate and general tariffs only, namely, adhesive materials in flake or grit form, dressed or dyed rabbit skins and toiletware of sterling silver.

The preference provided in our tariff for Australian raisins and currants is extended until March 31, 1936; and provision is made whereby oranges the produce of Palestine may be imported into Canada by way of British areas, rather than direct, as heretofore required.

The outstanding amendment to the drawback schedule is to the effect that, in order to qualify for the drawback of duty on imported bituminous coal used in its manufacture, coke produced in Canada must be actually sold for use as fuel. Another drawback item sets a precedent in that its benefits will apply only as regards importations under the British preferential tariff.

Empire Content

One change in respect of empire content of imported goods is contemplated. From 50 to 25 per cent in the case of antimony oxide. Action will be taken by order in council.

The Tariff Board

Apart altogether from its work as a forum of appeal from administrative decisions regarding customs and excise, the tariff board has dealt during the year with many important matters referred to it by the Minister of Finance. There will be tabled to-day some twelve or more of its reports, which are reflected in certain of the budget resolutions to which brief reference has been made. Outstanding among these is the report on reference No. 1—the first sent to the present board—re wool goods of various kinds. Other reports to be tabled to-day include those on sterling silver toiletware, fence wire, zipper fasteners, cocoa mats and matting, paper caps, wooden doors, rabbit skins, skelp iron, adhesive flakes, diabetic breadstuffs and dextrines. Information from the board is to the effect that several other reports will shortly be presented to the minister and these will, in their turn, be presented to parliament.

ESTIMATED REVENUE, 1935-36

After giving effect to the changes which have been enumerated, it is estimated that the revenues for the year will aggregate $392,100,000 from the following sources:

Taxation revenue—	
Customs duties	$ 88,000,000
Excise duties	48,500,000
Income tax	76,000,000
Sales tax	82,500,000
Manufacturers', stamp, importation and other special taxes	41,200,000
	$336,200,000
Non-tax revenue—	
Post Office	32,000,000
Interest on investments	11,500,000
Other sources	12,400,000
	$55,900,000
Total	$392,100,000

The ordinary expenditures for the year will, it is estimated, amount to $370,600,000. With receipts of $392,100,000, the resulting surplus will be $21,500,000. This will be a substantial amount to be applied upon capital expenditures, for which the estimates are about $6,000,000, and special expenditures including unemployment relief and railway deficit.

This is the last budget to be presented before a general election, and while fully aware of the popular reaction to reduction in taxation, the government recognizes its paramount duty is to the state and its well-being. Reduction in taxation can only be justified when it is associated with a fully balanced budget accompanied by a reduction —however gradual—in the national debt.

Whilst it is gratifying in these difficult days to be able to forecast a surplus on current account for the ensuing year of the considerable sum of $21,500,000, it must not be overlooked that not only will this amount be absorbed in special requirements for deficits on the Canadian National Railway, unemployment relief and capital expenditures, but that these inescapable obligations will entail still further borrowings with consequent additions to the national debt.

Meantime recovery will be hastened if we face our obligations courageously. To attempt to run away from them by failing at least to strive to pay our way, would not only retard recovery but this course would in the long run entail much greater sacrifice.

Without attempting to minimize in the least our difficulties, we must keep in mind that we have borne the shock of a world war, we have paid—and will continue to pay—the attendant price in blood, in suffering, and in treasure, and we have had added thereto five years of the miseries of a world depression as great in magnitude and as disrupting in its effects as the war itself. And yet we have won our way through. There is on every hand unmistakable evidence that we are making steady progress toward that complete recovery which I am fully confident will be our portion.

RESOLUTIONS

Mr. Speaker, I beg to give notice that when we are in committee of ways and means I will move the following resolutions:

Income War Tax Act

Resolved That it is expedient to amend the Income War Tax Act and to provide—

1. That (a) "earned income" be defined to include salaries, wages, and other personal earnings, including income derived from the carrying on of a trade (as a sole proprietor or in partnership), vocation or calling; provided however that the total amount of the "earned income" derived from any source, or combination of sources, shall in no case exceed $14,000 per annum;

(b) "investment income" shall mean any income not defined as "earned income."

2. That rates of surtax be imposed on all persons, other than joint stock companies, in respect of investment income as follows:

Included in any income exceeding	$ 5,000	but not exceeding	$ 10,000	2%
Included in any income exceeding	10,000	but not exceeding	14,000	3%
On income exceeding	14,000	but not exceeding	20,000	3%
On income exceeding	20,000	but not exceeding	30,000	4%
On income exceeding	30,000	but not exceeding	50,000	5%
On income exceeding	50,000	but not exceeding	75,000	6%
On income exceeding	75,000	but not exceeding	100,000	7%
On income exceeding	100,000	but not exceeding	150,000	8%
On income exceeding	150,000	but not exceeding	200,000	9%
On income exceeding	200,000			10%

3. That the following income shall not be liable to surtax, either—

(a) all income up to five thousand dollars; or

(b) "earned income" up to but not exceeding fourteen thousand dollars; or

(c) income equal in amount to the sum of the exemption and allowances for dependents to which a person is actually entitled under the said act;

whichever is the highest.

4. That (a) in determining "earned income" the amount of any salary or bonus shall be subject to adjustment commensurate with the services rendered and any amounts in excess of such adjustment shall be regarded as "investment income";

(b) where an expense is common to both "earned" and "investment" income the expense shall be apportioned.

5. That the corporation rate of tax be increased from 12½ per cent to 13½ per cent.

6. That consolidated returns be not permitted except in cases where a subsidiary company is wholly owned by another company (directors' qualifying shares excepted); is in the same general class of business; the fiscal periods of the companies are co-incident; and both companies are operating in Canada, and under such other regulations as may be prescribed. When consolidation is permitted the corporation rate of tax on such returns shall be increased from 13½ per cent to 15 per cent.

7. That dividends received by shareholders be taxed by an allowance for depletion of 20 per cent in lieu of the present allowance.

8. That depletion allowance to be allowed to mining companies, the principal product of which is gold and silver, shall be 33⅓ per cent in lieu of the present allowance.

9. That a tax of five per centum be imposed at the source on all royalties payable by Canadian debtors in respect of books, music and articles in magazines, to non-residents of Canada. The 12½ per cent deduction to be abolished in respect of the foregoing.

10. That a tax be imposed upon gifts inter vivos at the following rates, unless the income from such gift continues to be taxed against the donor, as provided for in the act;

Up to and including	$ 25,000			2%
Exceeding	25,000	but not exceeding	$ 50,000	3%
Exceeding	50,000	but not exceeding	100,000	4%
Exceeding	100,000	but not exceeding	200,000	5%
Exceeding	200,000	but not exceeding	300,000	6%
Exceeding	300,000	but not exceeding	400,000	7%
Exceeding	400,000	but not exceeding	500,000	8%
Exceeding	500,000	but not exceeding	1,000,000	9%
Exceeding	1,000,000			10%

Provided that the rate be not applicable to gifts in the aggregate of $1,000 or less in any one year.

11. That amounts charged by any company or organization outside of Canada to Canadian companies in respect of management fees, services, use of patents, processes or formulae used in Canada, shall not be allowed as a deduction if the non-resident controls the Canadian company through the holding of shares, by affiliation with other companies, by agreement, or in any other manner.

12. That in respect of any taxpayer claiming reciprocal relief for taxes paid in Great Britain or any foreign country, such taxpayer shall not be allowed as against profits taxable in Canada the losses sustained in any such country.

13. That the amount received from income bonds or debentures shall be deemed to be a dividend for the purposes of the act and shall not be a deduction before determining the taxable income of the corporation paying any amount in respect of such income bonds or debentures.

[Mr. Rhodes.]

14. That any enactment founded on the foregoing resolutions shall be deemed to have come into force at the commencement of the 1934 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods, with the following exception:

(a) As to any mining company, the principal product of which is gold, which has contributed to the tax on the premium value of gold as enacted by Part XV of the Special War Revenue Act, any enactment founded on resolution No. 8 shall be deemed to have come into force at the commencement of the 1935 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods.

(b) That any enactment founded on resolution No. 10 shall be deemed to have come into force at the commencement of the 1935 taxation period and shall be applicable thereto and to subsequent periods.

SPECIAL WAR REVENUE ACT

Resolved, That it is expedient to amend the Special War Revenue Act and to provide:

1. That Schedule I to the said act, as amended by section twenty-six of chapter fifty of the Statutes of 1932-33 be amended by adding thereto the following words:

"Devices commonly or commercially known as lighters, which produce sparks, flame or heat, n.o.p., 20 per cent.

Such devices when combined with pencils, cigarette or other cases, on the combined value, 10 per cent."

2. That Schedule III to the said Act, as enacted by section eighteen of chapter forty-two of the Statutes of 1934, be amended by adding to or inserting therein the following words:

"grain or seed cleaning machines; pit props and packwood for use exclusively in mines; casein."

3. That Schedule IV to the said Act, as enacted by section twenty-nine of chapter fifty of the Statutes of 1932-33, be amended by adding thereto the following words:

"Articles manufactured or produced by the labour of the deaf and dumb in institutions in Canada established for their care, or under the control or direction of such institutions."

4. That Schedule V of the said Act, as enacted by section nineteen of chapter forty-two of the Statutes of 1934, be amended by adding thereto the words "goods enumerated in Customs Tariff Item 692."

5. That the said Act be further amended by repealing subsection two of section eighty-seven thereof, as enacted by section twelve of chapter fifty-four of the Statutes of 1931.

6. That the said Act be further amended by repealing subsection two of section eighty-eight thereof, as enacted by section twelve of chapter fifty-four of the Statutes of 1932, and subsection three of the said section eighty-eight, as enacted by section ten of chapter forty-two of the Statutes of 1934 and substituting for the two said subsections the following subsection:

"2. The tax imposed by this section shall not apply to the articles enumerated in Schedule V to this Act nor to any goods imported into Canada which are entitled to entry under the British Preferential Tariff or under trade agreements between Canada and other British countries."

7. That any enactment founded on paragraphs one to six of this Resolution shall come into force on the twenty-third day of March, one thousand nine hundred and thirty-five.

EXCISE ACT

Resolved, That it is expedient to amend the Excise Act 1934, and to provide:

That section one of the Schedule to the said Act be amended by striking out the words "seven dollars" in the second line thereof and substituting therefor the words "four dollars", and to provide, further, that in the event of any duty imposed under this Act upon spirits, malt or beer having been reduced, if it is made to appear to the Governor in Council that in any province the prices of spirituous or malt liquors to the consumer have not been reduced to, or are not being maintained at, levels which will give the consumer the full benefit of any such reduction, the Governor in Council may order that such reduction shall be no longer in effect and, upon publication of such order in the Canada Gazette, the full rates of duty theretofore payable on such goods shall again be in force and effect.

That any enactment founded on this Resolution shall some into force on the twenty-third day of March, one thousand nine hundred and thirty-five.

CUSTOMS TARIFF

1. Resolved, That the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, chapters six and thirty-seven of the Acts of 1932-33, and chapters thirty-two and forty-nine of the Acts of 1934, be further amended by adding to section 4 thereof the following subsections:

(i) from time to time, grant the most favoured foreign nation treatment to any British country or to any territory administered under a mandate of the League of Nations by any British country; and from and after the date specified in the order in council the most favoured foreign nation treatment shall apply to goods the produce or manufacture of such British country or mandated territory, subject to the provisions of this Act;

(j) from time to time, withdraw the most favoured foreign nation treatment from any British country or any territory administered under a mandate of the League of Nations by any British country to which it has been extended; and from and after the date specified in the order in council the most favoured foreign nation treatment shall cease to apply to goods the produce or manufacture of such British country or mandated territory, subject to the provisions of this Act.

2. Resolved, That the aforesaid section 4 be further amended by adding thereto the following subsection:

(4)A.—For the purposes of this Act, the Netherlands Indies, Surinam and Curacao shall be regarded as comprising one country with the Netherlands.

3. Resolved, That the aforesaid customs tariff be further amended by deleting from section 11 thereof the words "reductions on Canadian products" and by substituting in lieu thereof the word "concessions."

4. Resolved, That the aforesaid customs tariff be further amended by adding thereto the following section, as section 18 thereof:

(18) In the event of any duty imposed under this Act upon spirituous or alcoholic liquors having been reduced, if it is made to appear to the governor in council that in any province the prices of such goods to the consumer have not been reduced to, or are not being maintained at, levels which will give the consumer the full benefit of any such reduction, the governor in council may order that such reduction shall be no longer in effect and, upon publication of such order in the Canada Gazette, the full rates of duty theretofore payable on such goods shall again be in force and effect.

5. 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, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, chapter forty-one of the Acts of 1932, chapters six and thirty-seven of the Acts of 1932-33, and chapters thirty-two and forty-nine of the Acts of 1934, be further amended by striking thereout tariff items 28, 28a, 39, 99c, 101b, 156, 156a, 159, 164 (a and b), 169, 180c, 187a, 208a (i), 242, 255, 281a, 326, 384, 386 (k), 388, 388b, 401 (d), 407, 407a, 413a, 424, 434, 435, 438f, 440l, 451, 464b, 475b, 522d, 542b, 546, 547, 554b, 554e, 571a, 572, 598, 603, 609, 621, 624a, 650a, 682, 691, 696, and 783, 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	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
28	Coffee, green, imported direct from the country of growth and production, or purchased in bond in the United Kingdom.....per pound Provided, that coffee, green, shall be entitled to entry under the British Preferential Tariff upon evidence satisfactory to the Minister that such coffee has been produced wholly in the British dominions, colonies or possessions, and not otherwise.	Free	3 cts.	3 cts.	Free	3 cts.	3 cts.
28a	Tea, imported direct from the country of growth and production or purchased in bond in the United Kingdom.....per pound When in packages weighing five pounds, each, or less, the weight of such packages to be included in the weight for duty. Provided, that tea shall be entitled to entry under the British Preferential Tariff upon evidence satisfactory to the Minister that such tea has been produced wholly in the British dominions, colonies or possessions, and not otherwise.	4 cts.	8 cts.	8 cts.	4 cts.	8 cts.	8 cts.
	Starch, including corn starch, potato starch, potato flour and all preparations having the quality of starch, the weight of the package to be included in the weight for duty.....per pound Provided that the Governor-in-Council may by Order-in-Council direct that there be substituted for Tariff Items 39 and 255 in Schedule A of the Customs Tariff, and the several rates of duties of Customs set opposite said Items in Schedule A, the following:	1 ct.	2 cts.	2 cts.	1 ct.	2 cts.	2 cts.
	Starch, n.o.p.; British gum, and dextrine, dry; dextrine substitutes and soluble or chemically treated starch.....per pound When in packages weighing two pounds each, or less, the weight of the package to be included in the weight for duty. From and after the publication of such Order-in-Council in the Canada Gazette, Tariff Items 39 and 255 as they respectively appear in the 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.	¾ cts.	1½ cts.	2 cts.			

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
	The Governor-in-Council shall not direct that such provisions shall be substituted as aforesaid unless and until the Governor-in-Council is satisfied that dextrine is manufactured in substantial quantities in Canada from potato starch made in Canada.						
65a	Diabetic breads and biscuits, under regulations of the Department of Health	Free	7½ p.c.	10 p.c.	15 p.c.	22½ p.c.	25 p.c.
99c	Raisins and dried currants—						
	(i) Until March 31, 1936.....per pound	Free	4 cts.	4 cts.	Free	4 cts.	4 cts.
	(ii) Thereafter.....per pound	Free	3 cts.	3 cts.	Free.	3 cts.	3 cts.
	when in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
101b	Oranges, the produce of Palestine (when imported direct from the country of growth and production or from a country entitled to the benefits of the British Preferential Tariff) during the months of January, February, March and April	.....	.....	Free	.....	.....	Free
156	Ethyl alcohol, or the substance commonly known as alcohol, hydrated oxide of ethyl or spirits of wine, n.o.p.; gin of all kinds, n.o.p.; whisky and all spirituous or alcoholic liquors, n.o.p.; amyl alcohol or fusel oil, or any substance known as potato spirits or potato oil; methyl alcohol, wood alcohol, wood naphtha, pyroxylic spirit or any substance known as wood spirit or methylated spirits, absinthe, arrack or palm spirit, brandy, including artificial brandy and imitations of brandy, n.o.p.; cordials and liqueurs of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, angostura and similar alcoholic bitters or beverages; and wines, n.o.p., containing more than forty per cent of proof spirit, per gallon of the strength of proof	$5.00	$10.00	$10.00	$8.00	$10.000	$10.00
	Provided, as to all goods specified in item No. 156 when of less strength than the strength of proof, that no reduction or allowance shall be made in the measurement thereof for duty purposes, below the strength of 15 per cent under proof.						

156a	Rum, per gallon of the strength of proof..... Provided, (1) as to all goods specified in items No. 156 and No. 156a when of less strength than the strength of proof, that no reduction or allowance shall be made in the measurement thereof for duty purposes, below the strength of fifteen per cent. under proof. Provided, (2) that when the goods specified in these two items are of greater strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased in proportion for any greater strength than the strength of proof. Provided, (3) that bottles and flasks and packages of gin, rum, whisky and brandy of all kinds, and imitations thereof, shall he held to contain the following quantities (subject to the provisions for addition or deduction in respect of the degree of strength), viz.:— Bottles, flasks and packages, containing not more than three-fourths of a gallon per dozen, as three-fourths of a gallon per dozen; Bottles, flasks and packages, containing more than three-fourths of a gallon but not more than one gallon per dozen, as one gallon per dozen; Bottles, flasks and packages, containing more than one gallon but not more than one and one-half gallon per dozen, as one and one-half gallon per dozen; Bottles, flasks and packages, containing more than one and one-half gallon but not more than two gallons per dozen, as two gallons per dozen; Bottles, flasks and packages, containing more than two gallons but not more than two and four-fifths gallons per dozen, as two and four-fifths gallons per dozen; Bottles, flasks and packages, containing more than two and four-fifths gallons but not more than three gallons per dozen, as three gallons per dozen; Bottles, flasks and packages, containing more than three gallons but not more than three and one-fifth gallons per dozen, as three and one-fifth gallons per dozen. Provided, (4) that bottles or phials of liquors for special purposes, such as samples not for sale to the trade, may be entered for duty according to actual measurement, under regulations prescribed by the Minister.	$5.00	$10.00	$10.00	$8.00	$10.00	$10 00

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
159	Spirits and strong waters of any kind, mixed with any ingredient or ingredients, as being or known or designated as essences, extracts, or ethereal and spirituous fruit essences, n.o.p.....per gallon and	$5.00 30 p.c.	$10.00 30 p.c.	$10.00 30 p.c.	$8.00 30 p.c.	$10.00 30 p.c.	$10.00 30 p.c.
164	*(a)* Wines of the fresh grape of all kinds, except sparkling wines, imported in barrels or in bottles, containing less than 35 per cent proof spirit, when the produce of Australia, New Zealand or the Union of South Africa.....per gallon	25 cents	.....	.....	25 cts.	.....	.....
	(b) Wines of all kinds, except sparkling wines, imported in barrels or in bottles, containing 35 per cent or over but not more than 40 per cent proof spirit, when the produce of Australia, New Zealand or the Union of South Africa..... per gallon	55 cents	.....	.....	55 cts.	.....	.....
	Provided that six quart bottles or twelve pint bottles be held to contain a gallon for duty purposes under this item.						
	Books, viz.:—Novels or works of fiction, or literature of a similar character, unbound or paper bound or in sheets, but not to include Christmas annuals, or publications commonly known as juvenile and toy books.....	Free	22½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
178c	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. All articles in this item, when produced in countries entitled to the British Preferential Tariff and relating exclusively to products of such British countries, but not relating to Canadian products.....	Free	.....	.....	per lb. 5 cts.	.....	.....
180c	Decalcomania transfers, when imported exclusively for use in the manufacture of vitreous enamelled products or of tableware of china, porcelain or semi-porcelain.....	Free	10 p.c.	12½ p.c.	Free 15 p.c.	10 p.c. 22½ p.c.	12½ p.c. 22½ p.c.
187a	Hypersensitive or supersensitive panchromatic films and infra-red films, unexposed, for aerial photography.....	Free	10 p.c.	15 p.c.	Free 15 p.c.	10 p.c. 25 p.c.	15 p.c. 30 p.c.
197c	Cigarette paper, ungummed, in rolls.....	10 p.c.	22½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
198b	Cigarette paper, gummed, in rolls.....	10 p.c.	32½ p.c.	35 p.c.	22½ p.c.	32½ p.c.	35 p.c.

199d	Cigarette papers, gummed or not, in tubes, booklets or packets	17½ p.c.	32½ p.c.	35 p.c.	22½ p.c.	32½ p.c.	35 p.c.
199e	Caps or hoods of paper, for use exclusively in protecting young plants in field or garden	Free	Free	Free	22½ p.c.	32½ p.c.	35 p.c.
208a	Chloride of lime and hypochlorite of lime:—						
	1. When in packages of not less than twenty-five pounds weight each.....per one hundred pounds	Free	15 cts.	15 cts.	10 cts.	15 cts.	15 cts.
232e	Cereal or starch products which require only to be ground in order to form, when mixed with cold water, an adhesive paste.....per pound	3/5 ct.	1½ cts.	2 cts.	15 p.c.	25 p.c.	25 p.c.
242	Dry red lead; orange mineral; antimony oxide, titanium oxide, and zinc oxide such as zinc white and lithopone; white pigments containing not less than 14 per cent by weight of titanium	Free	15 p.c.	15 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	15 p.c. 22½ p.c.
247a	Artists' and school children's colours, n.o.p., in tubes, cakes, pans and pastels, for painting in oils, water colours or pastels, under regulations prescribed by the Minister	Free	27½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
255	British gum, and dextrine, dry	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
281a	Fire brick, n.o.p., for use exclusively in the construction or repair of a furnace, kiln, or other equipment of a manufacturing establishment	Free	12½ p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
326	Glass demijohns or carboys, bottles, n.o.p., decanters, flasks, phials, glass jars and glass balls, lamp chimneys, glass shades or globes; cut, pressed, moulded or crystal glass tableware, decorated or not; blown glass tableware and other cut glass ware	15 p.c.	30 p.c.	32½ p.c.	20 p.c.	30 p.c.	32½ p.c.
362b	Toilet articles of all kinds, including atomizers, brushes, buffers, button hooks, combs, cuticle knives, hair receivers, hand-mirrors, jewel boxes, manicure scissors, nail files, perfume bottles, puff jars, shoe horns, trays and tweezers, of which the manufactured component material of chief value is sterling silver	17½ p.c.	37½ p.c.	45 p.c.	30 p.c. 17½ p.c. 22½ p.c. 20 p.c. 20 p.c. 10 p.c. Free Free	37½ p.c. 30 p.c. 30 p.c. 27½ p.c. 40 p.c. 35 p.c. 30 p.c. 30 p.c.	45 p.c. 40 p.c. 35 p.c. 30 p.c. 40 p.c. 35 p.c. 30 p.c. 30 p.c.
380	*(d)* With chequer, diamond or other raised pattern on contact surface	Free	$8.00	$8.00	$4.25	$8.00	$8.00
384	Skelp, of iron or steel, hot rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister:						
	(a) Not more than 14 inches in width	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	(b) More than 14 inches in width	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
	The Governor in Council may by Order in Council direct that there be substituted for tariff item 384 in Schedule A of the Customs Tariff, and the several rates of duties of Customs set opposite said item in Schedule A, the following:						
	Skelp, of iron or steel, hot rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister:						
	(a) Not more than 14 inches in width.....	5 p.c.	10 p.c.	12½ p.c.	5 p.c.	10 p.c.	12½ p.c.
	(b) More than 14 inches in width.....	5 p.c.	10 p.c.	12½ p.c.	5 p.c.	10 p.c.	12½ p.c.
	From and after the publication of such Order in Council in the Canada Gazette, tariff item 384 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 skelp of iron or steel, hot rolled, is manufactured in substantial quantities in Canada from iron or steel made in Canada.						
386	*(k)* Sheets, hot or cold rolled, when imported by manufacturers of hollow-ware coated with vitreous enamel or of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of hollow-ware coated with vitreous enamel or of vitreous-enamelled sheets for apparatus designed for cooking or for heating buildings	Free	10 p.c.	12½ p.c.	Free	10 p.c.	12½ p.c.
386	*(r)* Strip, cold rolled, when imported by manufacturers of pipes and tubes, for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister.....	Free	5 p.c.	5 p.c.	7½ p.c. Free	20 p.c. 5 p.c.	20 p.c. 5 p.c.
388	Iron or steel angles, beams, channels, columns, girders, joists, tees, zees and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, n.o.p.; piling of iron or steel, not punched or drilled, weighing not less than 35 pounds per lineal yard, including interlocking sections, if any, used therewith, n.o.p.....per ton	Free	$3.00	$3.00	Free 25 p.c.	$3.00 35 p.c.	$3.00 40 p.c.

388b	Iron or steel angles, beams, channels, columns, girders, joists, tees, zees and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p.; piling of iron or steel, not punched or drilled, including interlocking sections, if any, used therewith, n.o.p.....per ton	$4.00	$7.00	$7.00	$4.00 25 p.c.	$7.00 35 p.c.	$7.00 40 p.c.
390c	Piston ring castings of steel, in the rough as from the moulds.....	Free	25 p.c.	27½ p.c	15 p.c.	25 p.c.	27½ p.c.
401	*(d)* Coated with zinc or spelter, curved or not, in coils, ·144, ·104, or ·092 inch in diameter, with tolerance not to exceed ·004 inch, and not for use in telegraph or telephone lines, n.o.p.....	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
402c	Wire of iron or steel, coated with zinc or spelter, curved or not, in coils, not more than ·144 inch and not less than ·080 inch in diameter, with tolerance not to exceed ·004 inch, when imported by manufacturers of barbed fencing wire or of wire fencing for use exclusively in the manufacture of barbed fencing wire or of wire fencing, in their own factories.....	Free	10 p.c.	10 p.c.	10 p.c.	20 p.c.	20 p.c.
407	Silent chain and finished roller chain, of iron or steel, and complete parts thereof, of a class or kind not made in Canada, n.o.p., either chain of the type which operates over gears or sprockets with machine-cut teeth.....	Free	20 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
407a	Chains, of iron or steel, n.o.p., and complete parts thereof.....	20 p.c.	30 p.c.	35 p.c.	15 p.c. 20 p.c. 15 p.c.	27½ p.c. 30 p.c. 27½ p.c.	35 p.c. 35 p.c. 35 p.c.
410o	(ii) Chock release apparatus, for use in coal mines to facilitate the safe removal of chocks forming the roof support.....	Free	10 p.c.	10 p.c.	15 p.c.	27½ p.c.	35 p.c.
413a	Machinery, of a class or kind not manufactured in Canada, and complete parts thereof, for use in the manufacture of nets or netting for the fisheries, when imported by manufacturers for use exclusively in the making of such nets or netting, in their own factories, but not for use in making nets or netting commonly used for sportsmen's purposes.....	Free	5 p.c.	10 p.c.	Free	5 p.c.	10 p.c.
424	Fire engines and other fire extinguishing machines and complete parts thereof.....	10 p.c.	30 p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
424a	Hand fire extinguishers, and sprinkler heads for automatic sprinkler systems for fire protection....	22½ p.c.	30 p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
427d	Machines designed for making rigid composite box-ends of wood—consisting of a centre with separate nailing edges attached—from scrap or waste mill stock, and complete parts thereof, not to include motive power.....	Free	27½ p.c.	35 p.c.	15 p.c.	27½ p.c.	35 p.c.
428e	Diesel and semi-diesel engines, and complete parts thereof, n.o.p.....	Free	25 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
428f	Air-cooled internal combustion engines of not greater than 1½ h.p. rating, and complete parts thereof.....	Free	25 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
434	Locomotives and motor cars for use on railways, and tops, wheels and bodies for the same, n.o.p.; chassis for locomotives, n.o.p.....	15 p.c.	30 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
434a	Chassis for motor cars for use on railways, and complete parts thereof, n.o.p.	Free	30 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
434b	Pressed steel wheels for use on railway rolling stock	7½ p.c.	30 p.c.	35 p.c.	15 p.c. 15 p.c.	30 p.c. 27½ p.c.	35 p.c. 30 p.c.
435	Locomotives and motor cars for railways, of a class or kind not made in Canada, for use exclusively in mining or metallurgical operations	Free	15 p.c.	20 p.c.	10 p.c.	15 p.c.	20 p.c.
438f	Motor omnibuses for conveying passengers only, having seating capacity for not less than ten persons, and chassis for same; chassis for electric (trackless) trolley-buses, and complete parts thereof	Free	30 p.c.	40 p.c.	Free 15 p.c.	30 p.c. 27½ p.c.	40 p.c. 30 p.c.
440l	Aircraft and complete parts thereof, not including engines, under regulations prescribed by the Minister	Free	25 p.c.	27½ p.c.	10 p.c.	25 p.c.	27½ p.c.
451	Buckles, clasps, eyelets, hooks and eyes, dome, snap or other fasteners of iron, steel, brass or other metal, coated or not, n.o.p. (not being jewellery)	20 p.c.	27½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
451e	Slide or hookless fasteners	30 p.c.	37½ p.c.	40 p.c.	20 p.c.	27½ p.c.	30 p.c.
475b	Matrices for stereotypes, electrotypes and celluloids described in item 475a.....per square inch	Free	½ ct.	½ ct.	½ ct.	½ ct.	½ ct.
506b	Wooden doors of a height and width not less than 6 feet and 2 feet, respectively	Free	22½ p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
522d	Yarns and warps wholly of cotton, mercerized, number forty and finer, imported, under regulations prescribed by the Minister, for sale to manufacturers, to be further manufactured in their own factories	Free	25 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
530	Lace and embroideries, wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories	7½ p.c.	17½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
	and.....per pound			4 cts.	2 cts.	3½ cts.	4 cts.
542b	Linen fire-hose, lined or unlined	25 p.c.	32½ p.c.	35 p.c.	30 p.c.	32½ p.c.	35 p.c.
546	Articles made from fabrics, finished or unfinished, and all textile manufactures, wholly of jute, n.o.p.; fabrics wholly of jute, coated or impregnated, and jute fabric backed with paper	12½ p.c.	25 p.c.	30 p.c.	12½ p.c. 25 p.c. 3 cts.	25 p.c. 30 p.c. and per pound 3½ cts.	30 p.c. 35 p.c. 4 cts.
547	Bags or sacks of hemp, linen or jute	15 p.c.	17½ p.c.	20 p.c.	15 p.c.	17½ p.c.	20 p.c.
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.	27½ p.c.	35 p.c.	40 p.c.
	and.....per pound	17 cts.	30 cts.	35 cts.	18¾ cts.	30 cts.	35 cts.
	Provided, however, that the sum of the specific and *ad valorem* duties imposed by this item on						

	imports under the British Preferential Tariff shall not be in excess of 65 cents per pound.						
556a	Melton cloth, imported by manufacturers of tennis balls for use in the manufacture of tennis balls, in their own factories	Free	35 p.c.	40 p.c.	27½ p.c.	35 p.c.	40 p.c.
	and.....per pound	.....	30 cts.	35 cts.	18¾ cts.	30 cts.	35 cts.
556b	Slipper cloth, woven, napped on one or both sides, wholly or in part of wool, not to contain silk or artificial silk, weighing not less than 22 ounces per square yard, when imported by manufacturers of indoor footwear, to be used exclusively in the manufacture of such articles in their own factories	Free	35 p.c.	40 p.c.	27½ p.c.	35 p.c.	40 p.c.
	and.....per pound	.....	30 cts.	35 cts.	18¾ cts.	30 cts.	35 cts.
571a	Carpeting, rugs, mats and matting of cocoa fibre	30 p.c.	37½ p.c.	40 p.c.	15 p.c.	22½ p.c.	25 p.c.
					but not less than, per sq. ft. 10 cts.	10 cts.	10 cts.
572	Oriental and imitation Oriental rugs or carpets; carpeting, carpets and rugs, n.o.p.:—						
	(a) If valued at less than two dollars per square yard	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 p.c.
	and.....per square foot	3 cts.	15 cts.	20 cts.	5 cts.	15 cts.	20 cts.
	(b) If valued at two dollars or more per square yard	30 p.c.	35 p.c.	40 p.c.	30 p.c.	35 p.c.	40 p.c.
	and.....per square foot	5 cts.	15 cts.	20 cts.	5 cts.	15 cts.	20 cts.
598	Brass band instruments, n.o.p.; parts of pianofortes and parts of organs	Free	22½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
603	Fur skins, wholly or partially dressed, n.o.p.	10 p.c.	15 p.c.	15 p.c.	10 p.c.	15 p.c.	15 p.c.
	Provided, that the duty on hare or rabbit skins, under the Intermediate or General Tariff, shall be not less than.....per dozen skins	.....	72 cts.	72 cts.			
609	Belting, of leather	10 p.c.	30 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
621	Bases or salts of thorium or of cerium, not including natural minerals, for use in the manufacture of incandescent gas mantles, when imported by manufacturers of such mantles or of stockings for such mantles	Free	Free	Free	Free	Free	Free
624a	(i) Dolls; toys of all kinds, n.o.p	20 p.c.	30 p.c.	40 p.c.	15 p.c. 20 p.c.	20 p.c. 30 p.c.	22½ p.c. 40 p.c.
	(ii) Mechanical toys of metal	10 p.c.	30 p.c.	40 p.c.	20 p.c.	30 p.c.	40 p.c.
	(iii) Juvenile construction sets of metal, consisting of various stampings, punched, and connections therefor; parts of the foregoing	Free	30 p.c.	40 p.c.	20 p.c.	30 p.c.	40 p.c.
650a	Button blanks of animal shell, in the rough	Free	Free	10 p.c.	Free	10 p.c.	10 p.c.
682	Fish hooks, for deep-sea or lake fishing, not smaller in size than number 2·0; fishing nets and nettings of all kinds; threads, twines, marlines, fishing lines, rope and cordage of cotton, hemp, manila or other vegetable fibre, not exceeding one and one-half inches in circumference, to be used for fishing purposes or for the construction or repair of fishing nets; the foregoing not to include such articles used for						

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Intermediate Tariff	General Tariff
	sportsmen's purposes, and to be subject to such regulations as the Minister may prescribe.....	Free	Free	Free	Free 20 p.c.	Free 22½ p.c.	Free 25 p.c.
691	Communion sets of metal, glass, wood or other material; oil stocks; crosiers; benitier and sprinkler; incenser and incense boat; baptismal shells and fonts.....	Free	Free	Free	Free 30 p.c. 20 p.c.	Free 37½ p.c. 30 p.c.	Free 45 p.c. 32½ p.c.
696	Philosophical and scientific apparatus, utensils, instruments, and preparations, including boxes and bottles containing the same; maps, photographic reproductions, casts as models, animals as research or experimental subjects, etchings, lithographic prints or charts; mechanical equipment of a class or kind not made in Canada. All articles in this item, when for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any public hospital, college, academy, school, or seminary of learning in Canada, and not for sale, under regulations prescribed by the Minister.....	Free	Free	Free	Free	Free	Free
783	Internal combustion and steam engines, transmission assemblies, magnetos, starting motors, electric generators, propeller shafts, steel chassis frames, brakes, clutches, brake and clutch controls, steel road wheels, steel rims for pneumatic tires, larger than thirty inches by five inches, steering gears and front and rear axles, and complete parts of all the foregoing, all of a class or kind not made in Canada, when imported by manufacturers of motor trucks with standard equipment (not for use on railways or tramways), not to include machines or other articles mounted thereon or attached thereto for purposes other than for loading or unloading the truck, for use only in the manufacture of such motor trucks.....	Free	17½ p.c.	20 p.c.	Free 15 p.c. 15 p.c.	17½ p.c. 25 p.c. 27½ p.c.	20 p.c. 30 p.c. 35 p.c.

6. Resolved, that Schedule B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by striking thereout Tariff Items 1044 and 1049, the enumerations of goods and the rates of drawback of Customs Duties set opposite to each of the said items, and by inserting the following items, enumerations and rates of drawback of Customs Duties in said Schedule B:—

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
1024	Rolled round wire rods in the coil, of iron or steel, not over ·375 inch in diameter.	When used in the manufacture of wire of iron or steel, coated with zinc or spelter, curved or not, in coils, not more than ·144 inch and not less than ·080 inch in diameter, with tolerance not to exceed ·004 inch, when such wire is used by manufacturers of barbed fencing wire or of wire fencing for use exclusively in the manufacture of barbed fencing wire or of wire fencing, in their own factories.....	99 p.c.
1039	Cotton velveteen and cotton-back silk-pile velvet.	When imported under the British Preferential Tariff and used exclusively in the manufacture of fancy boxes or cases	99 p.c.
1044	Fire brick.....	When used by manufacturers of iron or steel in the construction or repair of a blast furnace, open hearth furnace or rolling mill furnace.....	99 p.c.
1049	Bituminous coal, imported on or after March 23rd, 1935.	*(a)* When converted into coke and the coke sold for use as fuel in other than a coke or gas plant.....	50 p.c.
		(b) When converted into coke and the coke sold for use as fuel in other than a coke or gas plant; provided that not less than thirty-five per centum, by weight, of the bituminous coal so used, as covered by each drawback claim, was mined in Canada.....	99 p.c.
		Provided that drawback payable under this Item is in lieu of drawback payable under any other item.	

7. Resolved, That Schedule C to the Customs Tariff, as amended by chapter thirty-two of the Acts of 1934, be amended by striking thereout Tariff Item 1212 and by substituting therefor the following:—

1212 Aigrettes, egret plumes or so-called osprey plumes, and the feathers, quills, heads, wings, tails, skins, or parts of skins of wild birds either raw or manufactured; but this provision shall not apply to:—
(a) the feathers or plumes of ostriches;
(b) the plumage of the English pheasant and the Indian peacock; the plumage of wild birds of groups recognized as game birds in any Canadian game law, and for which an open season is provided thereunder;
(c) the plumage of birds imported alive; nor to—
(d) specimens imported under regulations of the Minister for any Natural History or other museum or for scientific or educational purposes.

8. Resolved, That any enactment founded upon the foregoing resolutions to amend the Customs Tariff or Schedules thereto shall be deemed to have come into force on the twenty-third day of March, one thousand nine hundred and thirty-five, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

On motion of Mr. Ralston the debate was adjourned.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

The house in committee of supply, Mr. Morand in the chair.

To assist in promoting tourist business in Canada, $200,000.

Mr. MacDONALD (Cape Breton South): Mr. Chairman, when the committee rose last evening I was speaking about the attraction offered by the fisheries of the maritime prov-

inces, and I called attention to the different species of fish in those waters. Some people may have doubts as to the accuracy of my statements, because they have never contemplated fish six or eight feet in length which afford sport to the sportsman. For the information of the committee I shall read from a pamphlet entitled "Deep Sea Fighters."

Try to imagine an attempt to conquer, by means of a rod and line, the biggest and most determined bull that ever came out of the wild west. Add to this picture, flying spray and the swift manoeuvres of a motor launch on a heaving sea, and you have some vague idea of the thrills of this grand game. It's the finest sport the sea offers, a royal pastime!

These silvery torpedoes of the deep have true fighters' hearts. They never quit while there is strength in their tremendous stream-lined bodies. The greatest battlers of the tuna tribe, however, are the ones found in Nova Scotia waters. Nowhere else in the world are the tuna as large or as game, and every record breaking specimen in twenty-eight years—with the exception of one lone fish—has been taken in the coastal waters of Nova Scotia.

These tuna are big league fish for the most experienced sportsmen in the world and that is why each year sees an increasing number of anglers coming to Nova Scotia in hope of a record capture. Zane Grey, the famous novelist, had a grand battle in Nova Scotian waters off Liverpool with the 758-pound giant he conquered, and he has declared frequently that this adventure was the finest sport in the world.

Many times it is the quarry which is declared winner. Commander J. K. L. Ross, of Montreal, hooked a giant tuna in St. Ann bay, Cape Breton Island, Nova Scotia. It was 11 o'clock on Saturday morning, and the battle began with terriffic rushes and mighty leaps that tested nerve and tackle. All the afternoon the fight went on. The tuna would tow the boat for miles, then would sound again and again, until it seemed that the line must yield. But, at the last second, up he would come in a magnificent surge of foam and silver, and Ross would have new hope. Darkness fell but the battle went on. Ross was determined, and so was the big fish. When daylight came it was the man who was tiring, not the tuna, and the renewed skirmishes became so exhausting that at 6 a.m. Ross was compelled to cut the line and admit defeat.

Thomas Howell, veteran Chicago sportsman, hooked a tuna off Liverpool, Nova Scotia, at eleven o'clock Monday morning, August 6, 1934. The giant fish was a fighter of the finest calibre and towed the big fishing launch exactly sixty-two hours. The great battler weighed 792 pounds, and was over nine feet in length.

That, Mr. Chairman, gives you some idea of the character of the sport that is afforded in the waters of Nova Scotia. But in addition to the tuna there is another large fish known as the swordfish, and the Nova Scotia swordfish are comparable only to Nova Scotia tuna as supreme gladiators of the sea:

They are considered by many the greatest battlers of the deep and the very elite of their kind. These are the Broadbill, or true swordfish. They are rarer and much larger and fiercer than the marlin or Roundbill swordfish found in southern waters. They have the upper jaw prolonged into a two-edged swordlike weapon and know well how to use it.

I need not continue along that line because I think I have already given sufficient to excite the curiosity of the committee as to the attractions we have to offer to the true sportsman, the big league sportsman who is looking for thrills in this particular sport.

Sir EUGENE FISET: And not very expensive.

Mr. MacDONALD (Cape Breton): This fish that Commander Ross caught was found in St. Ann's bay in the county of Victoria. That is the spot that I mentioned at the last meeting of the committee, where rest the bones of the famous giant McAskill. His grave is found there and also some specimens of the clothing and shoes that he wore. A biography of this giant has been written by a literary gentleman down there, named James Gillis, which I take pleasure in recommending to every lover of literature, and I might add that I envy them the pleasure they will have in reading that piece of contemporary literature.

On the harbour of St. Ann's are also to be found many evidences of the French occupation before the taking of Louisburg. Another event of historic interest was the great exodus of Presbyterians that took place from St. Ann's about a hundred years ago. To the village of St. Ann's about a century ago came a Presbyterian minister named MacLeod from Pictou, and with him he brought his whole congregation. He was in many respects a wonderful man, and the stories that still are told show him to have been a man of the most determined and forceful character—a great preacher, a great teacher, a law giver, and an autocrat, as my hon. friend from Pictou (Mr. Cantley) suggests. But autocrats were necessary in those days just as they are now sometimes. This man left his imprint on the character of all the people in that district. If there is anything good in Presbyterianism, and I am not saying that there is not, I venture to say that this man exemplified it in his life and in his preaching.

When referring last night to the village of Louisburg I forgot one very interesting thing that is still a subject of conversation among our older people when gathered around the fireplace in the evening, and that is that on certain days as they recall the great battles of the past there may be heard in the stilly silence of the night the tramp of soldiers marching and the thud of hoofs.

I ask you, Mr. Chairman, where in all Canada is to be found a spot so rich in historic incident as you will find right at St. Ann's in the county of Cape Breton? In the county of Cape Breton we have also the coal mines of the Dominion Coal Company, very large mines which contribute greatly to the revenue of the province of Nova Scotia, and in the city of Sydney are established the steel works. Tourists who are industrially minded have here an opportunity of seeing some of our advanced industrial methods.

During this coming summer the city of Sydney will celebrate its one hundred and fiftieth anniversary, and to it are being invited notables from all over the old country and from Canada, including the lineal descendants of Governor DeBarre, who laid out the city of Sydney a hundred years ago. We also hope to have with us on that occasion His Excellency the Governor General and men eminent in political and public life in Canada and the United States, as well as warships from almost every nation. I cordially invite the members of this house to be present with us down at Sydney from July 29 to August 4 of this summer.

In answer to my hon. friend from North Renfrew (Mr. Cotnam), who holds out as an inducement to visit his riding the successful efforts of the smugglers, I may say that in spite of the budget we have heard delivered this afternoon we hope that the activities of the smuggler will not be curtailed to such an extent off the coast of Nova Scotia as to deprive us of necessary stimulant.

Nova Scotia is doing its share to secure a tourist business. We have now three or four tourist bureaux operating throughout the province, all bending their efforts to induce tourists to come to the province. In addition to the program for this summer that I have already mentioned we are also preparing to receive the Olympic and three other ocean liners and several men of war this summer. We are also furthering plans for a meeting of the Maritime Aquatic Association which is holding a competition in Nova Scotia this year. We expect that more tourists will visit Nova Scotia this summer than ever before. I hope hon. members will not think that what I have said is overdrawn. I hope they will come to see for themselves, and when they do I am satisfied that they will give me universal approbation as being the most veracious member of the house.

Mr. WILLIS: Mr. Chairman, I do not intend to refer to the beauties of Nova Scotia, which are very well known, but I do intend to refer to beauties which are not so well known and which perhaps need some advertising. I have in mind the Turtle Mountain forest reserve which is located in my constituency and within which is the International Peace Garden of America. This peace garden is situated partly in the American state of North Dakota and partly in the province of Manitoba, and is the only peace garden on the continent. Its site was selected by international representatives who endeavoured to choose the most suitable place on the continent at which to locate an international peace garden. There is a highway running along one side of the garden. In the United States this highway is an all-weather road and it is hoped that this same condition will soon apply to the Canadian portion. Last year more than 8,500 persons entered this port.

I bring up this matter at this time in an effort to interest the government and others in the International Peace Garden. A portion of this vote should be used in an endeavour to attract the tourist trade to this garden. Its site was selected by a committee composed of members of the National Association of Gardeners of America, the largest horticultural association on the continent. Last year a group of 250 men was employed by the federal government of the United States to work in the American portion of the garden. This was possible because of assistance from the federal government which we in Canada have not been able to obtain. This is because of a lack of cooperation between the provincial and dominion governments. I should like to see a work camp established in this area. The Turtle Mountain forest reserve is close to the drought area of the province of Manitoba where the dominion government is spending a considerable amount in the way of relief. If it is not possible to establish a work camp within the garden, it should be established within the Turtle Mountain forest reserve. Reforestation or other work would prove helpful to the people and at the same time act as an attraction to the tourist trade. I think the provincial government should transfer at once the property which it has promised to transfer. I should like to request the minister to see that all maps issued by his department indicate plainly the present location of the International Peace Garden, which demonstrates better than anything else the fact that for one hundred years there has been peace between Canada and the United States. This fact has been brought to the attention of the house by many hon. members, and I trust an effort will be made to establish a work camp, either in the reserve or in the garden, to provide employment and increase

the attraction to the tourists who come to this area all the way from Mexico city in the south and northern Manitoba in the north.

Mr. SHORT: I am pleased indeed that my colleague, the hon. member for Cape Breton South (Mr. MacDonald), has had something to say about the beauties of Nova Scotia. Nova Scotia is the greatest tourist province in the dominion, and I was afraid it was going to be left out of things. I was not present when this discussion first started or I would have had a word to say at that time. Nova Scotia has been catering to the tourist trade for a longer period than any other province—upwards of fifty years—and I think it is the best equipped of all provinces in the way of hotels to cater to summer visitors. We have as much as or perhaps more than any other province in the way of scenery and amusements, and I feel I should be remiss in my duty if I did not bring these things to the attention of the house.

The western part of the province is only a night's run from Boston and twenty-two hours from New York by the best class of palatial coastwise steamers. The hon. member for Cape Breton South has referred to the tuna and swordfish fishing, but in addition there are the salmon trout fisheries, the finest in the country. We have also the finest scenery in the dominion. Unfortunately we have not paved roads to offer the tourists, but we hope to have them in the near future. I am pleased that an appropriation is being made this year to provide for the advertising of the beauties of this country. Canada as a whole is a beautiful country but the greatest beauty is to be found in the maritimes, particularly in Nova Scotia.

Mr. VENIOT: What about New Brunswick?

Mr. SHORT: I said in the maritimes and particularly in Nova Scotia. I think the hon. member for Gloucester (Mr. Veniot) will admit that New Brunswick does not have the beauties which are to be found in Nova Scotia.

Mr. VENIOT: I could not admit that.

Mr. SHORT: I hope that Nova Scotia will receive her full share of this money when it is being expended. We have room for more tourists than are coming at the present time and this year we are looking forward to the greatest influx since 1929. When the minister is allotting this money to the different provinces, I hope he will see that Nova Scotia gets her full share. I am sure he will, because he realizes that we are entitled to it. We have every attraction to offer the tourist—deep sea fishing, tuna fishing, inland fishing and every sport that he is looking for. I can only join with my colleague from Cape Breton in extending to hon. members a cordial invitation to visit the most beautiful province in the dominion.

Mr. PERLEY (Qu'Appelle): I wish to express my approval of this item in the minister's estimates. I have listened with considerable pleasure to those who have spoken on the item advocating the beauty spots in their respective provinces, and I trust that when this money is being spent for advertising, the beauty spots of Saskatchewan will have due consideration; and I plead particularly for Qu'Appelle. I think we have in that constituency some of the finest scenery to be found in Canada. I refer to the historic Qu'Appelle valley and river, which got its name, as history relates, from this incident. An Indian woman went to draw water from the lake; she heard an echo in the ravine and she replied, "qu'appelle?"—who calls? This valley runs parallel to the Canadian Pacific Railway and No. 1 highway from the Manitoba boundary about two hundred miles. It is a picturesque valley and in different sections it widens out a mile or two, forming lakes. These are peaceful lakes in the middle of the valley. At lake Kalipwa, at lake Echo and at lake Qu'Appelle we have beautiful scenery, and I would mention the historic town of Fort Qu'Appelle, where there was once established the old Hudson's Bay fort. At one time we thought that this particular site would be the capital of the territory. Along these lakes we have summer resorts and camps and it is a splendid place for tourists who wish to spend a few days of quiet. Sports of all sorts can be indulged in, golfing, tennis, fishing, bathing and everything that adds to the pleasure of the tourist. To get into this valley there are very good roads branching from No. 1 highway and leading through the great wheat plains of Saskatchewan. The wheat plains between the main highway and this valley are the plains which were first settled by the pioneers who went into that province, and in August you can go through miles of waving grain. It is a magnificent sight.

I know that there are many other hon. gentlemen who are anxious to speak on this item and I do not want to take up too much time, but I trust the minister will see that when advertising is being done we shall get our due share. I think this is a splendid thing. The Canadian people should be en-

couraged in their efforts to induce our friends from the south and from other countries as well to come to Canada and enjoy our scenic beauties. I fully support this vote.

Mr. GARLAND (Bow River): Unlike hon. members who have preceded me, I am not going to boast about the native beauties of my own constituency; I think they are well enough known to need no further word from me. I do wish however to direct the attention of the minister to one way in which this vote might be usefully disposed of. There is to the north of this capital city a beautiful territory with certain peculiar characteristics that are unexcelled. There is very good skiing in winter, and in summer this territory cannot be surpassed for the sheer pleasure of travelling and, I should have hoped, for fishing. I regret to say however that while it is one of my great privileges to be able to travel through the Gatineau country a few times every session, I have noticed in recent years that there has been serious destruction of the forest along the roads. No one knows better than the minister that roads stripped of trees are quite unsightly; they are not attractive, because people do not care for a country that has been stripped of its forest timber. What steps the minister can take I do not know, but if he could see to it that the trees along the roads in the Gatineau are no longer cut down, he would to some extent preserve some of the beauties of that country, which would continue to attract tourists.

I have also complained in the second place —this time the complaint would more properly be registered in the provincial house in Quebec, but I make the complaint publicly so that it will reach them—against the practice of leasing the fishing rights on the lakes and streams in the Gatineau and other districts to a few wealthy Americans and in some instances Canadians and people of other nationalities, such leases running from five to nine years or longer. It means that for a certain type of tourist there is no particular attraction to that country at all. All the fishing advantages of a territory like that could be preserved by fair and rigorously enforced legislation—game protection, fish protection and so on. But where it is turned over to a few individuals who can afford that sort of camp, and the beauty of the lakes and rivers is closed to the public, we cannot expect the tourist traffic into that country to continue, a country so badly afflicted with that type of law. I suggest to the minister that, with respect to territory of that sort, he take the matter up with the provincial governments with a view to modifying their leasing system in regard to fishing. This does not apply to Quebec alone but to the maritimes as well; it applies to some of the most beautiful streams down there. I should like to see a little more freedom in regard to the fishing rights in this country, particularly for the ordinary man who cannot afford more than a holiday by car, spending his time at touring camps, and getting any fishing he can. Such people cannot pay the high licence fees required in territories where fishing rights have been let to individuals in the way I have stated, nor can they afford even the ordinary fishing licence required for day to day fishing. In regard to these two particulars, the clearing of timber along the road and the over-restrictive methods in connection with fishing, there lies one of the serious difficulties in the tourist business, and I hope the minister will look into the Gatineau district problem as soon as possible.

Mr. HANSON (Skeena): I congratulate the minister on the increase in this vote. It so happens that in my country of origin it was realized half a century ago that tourists are a national asset. Since I came to this country I have located in British Columbia, the most beautiful province of the dominion. I have had occasion to visit quite a number of places, from the South Sea islands to the European continent, from the Mediterranean to the North cape, and in those different parts of the world there is nothing to excel what we have in Canada. So far as British Columbia is concerned, the inland passage is fully equal to anything that one can see in the northern fiords; the mountain scenery which we have in British Columbia along the coast and also in the interior is fully equal to anything that one can see in the Alps, and as regards the coast of the maritime provinces with its fish and game, which is such a drawing card to the tourists, I may point out that we have all that in British Columbia, as can be seen by taking the trip from Puget sound via the inland passage to Alaska.

I repeat that I compliment the minister and the government on increasing this appropriation. The government evidently realizes that the tourist traffic will be one of our national assets for all time to come.

Mr. HOWDEN: We have heard members from all parts of Canada singing the praises and beauties of their respective constituencies. All this goes to show that no one part of this dominion has a corner on attractions. I have grown up in what used to be called the great

lone land of the northwest—Fort Garry. It is a great lone land no longer; we have there one of the most enterprising and attractive cities in the dominion. In the thousand lakes and hills that span the upper part of Manitoba there are unsurpassed beauties. In the deltas around our lakes we have the most excellent wildfowl hunting, and in various part of the province big game hunting is unsurpassed by that in any other part of Canada; neither do we take a back seat in fishing, because in lake Winnipeg and lake Manitoba the whitefish and the sturgeon compare favourably with any similar fish that are found elsewhere in this country.

I did not however get up to sing the praises of Manitoba, but I should like to point out that there is no other part of Canada which has the beauty and natural attractiveness that my province has. The thought that was in my mind was this: this appropriation of $200,000, or at all events some of it, could be put to very good use in hastening the completion of the transcontinental highway, because when that road is built from one coast to the other there will be no more beautiful or interesting automobile route anywhere else in the world. I have not travelled very much myself, but I have been across the prairies of Canada to the west coast and I know my own province pretty well. I believe the best thing we can do with a good deal of this money is to spend it on improving the national highway. When it is improved and completed, we shall not require to spend very much money on advertising the beauty or attractiveness of this country; our chief difficulty will be to regulate the traffic on the road.

Mr. LUCHKOVICH: In the Vegreville riding we have a park known as Elk Island park, which is so beautiful that if I tried to describe it adequately, words would wholly fail me. Therefore I do not wish to spoil the picture by any word description of my own, but I suggest to the minister that when he finally decides to issue circulars, or whatever he wishes to do in regard to this matter, he let the tourists who visit that part of the country know that a few miles south of Lamont there is a park called Elk Island park. In this circular I hope he will picture this park in larger capital letters than any other parks that have been mentioned here to-day.

Mr. MACKENZIE KING: So far as tourists are concerned, may I say there is nothing finer or more attractive in Canada than the Prince Albert National park. There are other parts of Prince Albert constituency which are equally beautiful, and I hope the tourist bureau will do justice to them, or rather attempt so to do.

Mr. BROWN: Hon. members have all been singing the praises of their respective constituencies. In the constituency of Lisgar we have a resort that is recognized by both political parties as the finest in Manitoba or, indeed, in the west. In 1925, when Right Hon. Arthur Meighen was aspiring to become prime minister and was touring the country, his party chose Rock lake as a place to give a great demonstration, and it was truly a magnificent crowd that assembled there to hear the right hon. gentleman. Similarly when my right hon. leader (Mr. Mackenzie King) toured Manitoba and the west a short time ago, the Liberal party chose Rock lake as the most suitable place for the clans to come together to welcome their chief. So we have the endorsation of both political parties that Rock lake is the finest spot in Manitoba.

I think it would be very desirable that a small portion of this appropriation or some other money should be spent on building just a few miles of highway to make a better connection between that beautiful summer resort and the country to the south. That would attract large numbers of tourists from the south. As I have said, we have the endorsation of both political parties that Rock lake is the one point at which they can best show their appreciation of their respective leaders.

Sir EUGENE FISET: I am surprised, as I listen to all the boasting about the beauties of the maritime provinces and western Canada, that everybody seems to have forgotten that when one goes down to the maritimes, one must go through the beautiful province of Quebec. The loveliness of the south shore of the St. Lawrence, especially between Quebec and the maritime provinces, is unequalled in Canada. I appeal to the Minister of Railways, who travelled last year through this famous garden that we call the Gaspé peninsula, and I ask hon. members when going down to the maritime provinces to stop on the way at Rimouski, where they will be well received.

Mr. REID: There is one practical suggestion I should like to make to the minister which has not so far been offered. The minister in his opening address I think said that when the bureau was sending out pictures and advertising matter, the pictures would be sent out without the provinces being specifically mentioned on them. For instance, if pictures of mountains or lakes are used, those pictures would not inform the public where the particular spots are. Speaking from a little experience I know the people of the United

States are not as discerning as we are in this country. A car may enter the republic from any province and the people there will simply say: "Oh, there is a Canadian car," irrespective of what province it may come from. I do not know whether we are better educated in this country, but I know that when American cars come here we observe what state they come from. I would thereforce suggest to the minister that in the pictures and photographs that go out it would be well that the provinces in which the places shown are situated should be mentioned, so that tourists may know where to find that beautiful scenery. I shall not take any more time talking about British Columbia, but if material for the proposed advertising is to be culled from Hansard I would just say that if any visitor comes to Canada and fails to see British Columbia his visit has been in vain.

Mr. HEAPS: So much has been said about the beauties of the various provinces that I do not wish to add anything on that aspect of the matter, because other members know a good deal more about it than I do. Yet there are many beautiful parts in Manitoba, and not the least of our beauties is the Red river, and the Red river flows through North Winnipeg. But it is not now the beauty spot it once was; in fact the Red river to-day in the neighbourhood of Winnipeg has become more or less a plague spot that people try to get away from. So I have a suggestion to make to the government which I hope they will not only take into serious consideration but on which they will act in the very near future. The Red river has been polluted with sewage both in the United States and in Canada. At the present time Winnipeg and neighbouring municipalities have made a request to the government for assistance in providing sewage disposal works. I raise the question because I should like to be able to say for the Red river what others have been saying for their various constituencies. I should like the tourist bureau in getting out literature concerning Winnipeg and the adjoining districts to be able to show the Red river as one of its beauty spots, but before that can be, something must be done in regard to scientific and up to date sewage disposal. I suggest to the acting Prime Minister, who is now discussing the matter with the Minister of Railways, that prompt action be taken by the federal government in the way of assistance to the province of Manitoba to restore the attractions of the Red river.

Mr. VENIOT: I do not want to take up much of the time of the committee, but I have listened to everyone praising his own province and merely want to say that there is no need of singing the praises of New Brunswick; its beauties are too well known. I merely call the attention of the committee to two things which we possess in New Brunswick which are not found elsewhere, namely the reversing falls at Saint John and the heavy rush of water in the Petitcodiac river creating what is known as the Moncton bore. That is all I want to say.

Mr. PICKEL: Before this vote carries I should like to say a word on behalf of the eastern townships of the province of Quebec. I do not need to say much, but I would draw attention to the fact that it is one of the finest scenic areas in the whole dominion and has natural attractions unsurpassed anywhere. It is a region of rivers, lakes and mountains galore. I know of one mountain 2,900 feet high from which I can view twenty-one small lakes, all teeming with fish, mostly trout. Of course they are not as large as they catch in some parts of the lower provinces or in British Columbia, but that does not seem to make much difference to the ordinary fisherman. As a general rule the ordinary fisherman is as much interested in what he takes with him and his surroundings when fishing as in what he catches, and I may say that remark is not confined to liquid refreshments.

It seems that this appropriation is about half what it should be, if all the requisitions of hon. members who have spoken are to be met.

Mr. CANTLEY: I just want to remind the committee that I have the privilege of representing the Garden of Eden in the county of Pictou.

Mr. LAPOINTE: What about Eve?

Mr. CANTLEY: She is there too and we also still use the original language of the garden of Eden. So we have a history of at least six thousand years of close association with the early times of the race. No one could find a better place in all Canada in which to spend a summer holiday, particularly in view of the reductions in excise and the reduction of customs duty on West India rum of which we have heard this afternoon.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CANADIAN MARCONI COMPANY

Mr. F. W. TURNBULL (Regina, for Mr. Sullivan) moved the second reading of Bill

No. 27, respecting Canadian Marconi Company.

Motion agreed to.

Mr. TURNBULL: I move that the bill be referred to the private bills committee.

Mr. SPEAKER: May I ask the hon. member to explain upon what ground? Under standing order 104 a bill of this kind should be referred to the committee on railways, canals and telegraph lines.

Mr. TURNBULL: I do not personally know very much about the contents of the bill. I made the motion the hon. member for St. Ann (Mr. Sullivan) requested me to make, but if there is any difficulty about it I suggest it stand.

Mr. SPEAKER: It will be allowed to stand. Second reading will stand, too, with the consent of the house.

Mr. LAPOINTE: Yes.

Motion for second reading stands.

SECOND READINGS

Bill No. 34, for the relief of Marie Philomene Florence Maher McCaffrey.—Mr. Heaps.

Bill No. 35, for the relief of Stuart Lewis Ralph Henderson.—Mr. Moore (Chateauguay-Huntington).

Bill No. 36 for the relief of Charles Henry Campbell.—Mr. White (Mount Royal).

Bill No. 37, for the relief of Maria Elphinstone Hastie Kinnon.—Mr. Bell (St. Antoine).

RAILWAY ACT AMENDMENT

The house resumed from Tuesday, March 19, consideration of the motion of Mr. Reid for the second reading of Bill No. 38, to amend the Railway Act (rates on grain).

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, on the last occasion this bill was before the house I had only three or four minutes before nine o'clock in which to speak. In that time I pointed out some circumstances which, so as to make my argument more complete, I shall repeat to-night.

In the first place I indicated that a bill such as the one before us is really not a private bill, from the standpoint of the functions of parliament, because parliament is not a rate making body. This is not the body which sets railway freight or passenger rates. Neither the government nor the parliament of Canada has the proper machinery with which to deal with this very complicated matter. The matter of freight rates is perhaps one of the most complicated which could be placed before any commission, and one which requires special machinery by way of experts and authorities.

I pointed out, further, that if freight rates were set in this House of Commons we would have so many bills like the present one placed before the House of Commons that we would have no time for anything else. The matter of freight rates would become a political question because almost every constituency in Canada has some particular commodity in which it is interested, and each member would be subjected to public pressure to bring before the House of Commons questions of freight rates on the commodities produced in his particular section of the country. As a result there would be the danger of log rolling, in the worst sense of the term. We would have one member assisting another in his effort to secure satisfactory freight rates on the understanding that, in return, the other would assist the first. Ultimately parliament would be inundated with bills to cut down freight rates on pulpwood, wheat, hay, potatoes or some other commodity. Speaking of potatoes may I say that only within the last week I have had communications from people outside the house and have had a number of hon. members approach me regarding the rate on potatoes from one section of the country to another. Special rates for potatoes have been requested by the maritime provinces and by the province of Quebec. Therefore I submit that we would have an impossible situation if the parliament of Canada were permitted to deal with freight rates.

The hon. member now sponsoring the bill has introduced a similar bill on four previous occasions and, incidentally, has approached the board of railway commissioners in regard to the same matter. Receiving a judgment from the board which was not in his favour, he has appealed to the privy council. That appeal, by the way, is still before the privy council and will have to be dealt with in the future.

In his speech the other evening he made a number of statements upon only a few of which I shall now touch. I pointed out on the previous occasion that the export rates are set for the purpose of permititng the products affected to compete in the world market. Generally speaking they are not set on the basis adopted in connection with domestic rates, because domestic rates are enforced so as to deal with the matter from the stand-

point of local consumption. When a commodity comes under an export rate it is on the way to a foreign market and is in a position where it must compete with the products of different countries of the world. Therefore, generally speaking export rates in Canada are not on the same basis as domestic rates, nor are they on the same basis even so far as mileage is concerned. For example—I assume my hon. friend knows this but the house generally may not—the rates from Edmonton to Vancouver, Calgary to Vancouver, and Edmonton to Prince Rupert are all exactly the same, 20 cents per 100 pounds, yet the distance from Edmonton to Vancouver is 765 miles, from Calgary to Vancouver 642 miles, and from Edmonton to Prince Rupert 973 miles.

Mr. HANBURY: Those are export rates?

Mr. MANION: Yes, and they are all put on the same basis because if one or the other route had an advantage even according to mileage it would get all the grain exported—I am speaking of grain at the moment—and the others would get none. It is the same with regard to Halifax and St. John. The rates from Montreal to Halifax and St. John are exactly the same, for the reasons I have just mentioned, although there is a great difference in the mileage.

The United States export rates are much higher than ours. It is true that in some cases, perhaps many cases, their domestic rates are lower than our normal domestic rate, but their export rate, which is also their domestic rate, is considerably higher than our export rate. For the information of the house I am going to put on Hansard a few of those rates, though some of these rates have been put on Hansard before.

The rate from Shelby, Montana, to Seattle, domestic or export, a distance of 757 miles, is 38½ cents per 100 pounds. The rate from Bissell, Alberta, to Vancouver, a distance of 758 miles, just one mile more, is 20 cents; that is the Canadian rate is 20 cents as against the American rate of 38½ cents. From Livingston, Montana, to Seattle, a distance of 897 miles, the rate is 39 cents, while from Greenshields, Alberta, to Vancouver, a distance of 893 miles, practically the same mileage, the rate is 22 cents; that is 22 cents on the Canadian side as against 39 cents on the American side. I am informed by railway authorities that practically all the rates on grains for export are in favour of Canada; that is they are lower to the Canadian shipper. It is true that the domestic rates in the United States, which are the same as the export rates, are lower in some cases than ours, but due to the special domestic rate which through efforts of my own to a large extent and of the Minister of Agriculture we obtained about a year and a half ago from the prairie provinces to British Columbia, our feed grain rates are lower than the rates on the same quality of grain for domestic consumption in the United States. The same is true of our emergency rates obtained a few months ago for the purpose of shipping to the United States grains of lower quality, what are called feed grains. So on those two grades of grain, feed grains and grains of the lower grade—I have forgotten the exact classification—our rates are considerably lower than United States rates.

My hon. friend complained, and rightly, that our rate on burnt wheat unfit for human consumption was as high as the rate on other grains, but recently the railway commission instructed the railways that burnt wheat should be treated on the same basis as the lower grades of wheat moving from the prairie provinces to British Columbia.

My hon. friend also mentioned the rates from Calgary or Edmonton, or from the prairies for that matter, to Vancouver, as compared with the rates to Fort William. The rate from Calgary to Vancouver is 20 cents, and the rate from Calgary to Fort William is 26 cents. But the hon. gentleman, if I understood him aright, in comparing these two rates brought into the comparison the distances. I must submit to him and the house that grain at the head of the lakes is not in the same position as grain at Vancouver because grain at Vancouver is all the year round right on the seaboard, and in a position to be shipped across to Europe, whereas at Fort William it has to go at least one thousand miles to Montreal, and a great deal further if it is shipped in winter to Halifax or Saint John. So there is no fairness in comparing the rate on grain from the prairies to Fort William with the rate from the prairies to Vancouver, because the grain at Fort William is still inland and has to go at least as far as Montreal, and in winter to Halifax or Saint John, before it is in a position to be shipped to Europe.

But Vancouver has this other advantage. It is open the year round, whereas it is possible to ship grain from the head of the lakes by water only during seven months of the year, and as the rate is so high by rail from Fort William to Montreal or to the maritimes, that is practically a paper rate; in other words, almost no grain is shipped from the head of the lakes to either Montreal or the maritime

ports of Halifax and Saint John in the winter, and it is only during seven months of the year it can be exported. Therefore when grain gets into the elevators at the head of the lakes it stays there till the following spring because the rate is too high to ship it out.

It is true that the domestic rate from the head of the lakes to Montreal is lower than the export rate, but they are both paper rates. Neither of them is used because grain can go from the head of the lakes in the summer by water to Montreal for something under 4 cents a bushel; in fact, the rate during the whole season of 1933 averaged 3·79 cents a bushel. It is obvious therefore that when grain can be shipped in the summer for 3·79 cents a bushel, less than 4 cents a bushel, by water, it will not go by rail and pay a rate of 25 or 34 cents per 100 pounds, as the case may be, from the head of the lakes to Montreal or the maritime ports. Water competition controls, and my hon. friend complained a little of that, I think; but the fact remains that if the railways are to get any of the traffic between any two points they must compete with whatever other competition there is, and I have given the rate for the water competition. That competition is so severe that except for an emergency small shipment, a carload or some very small shipment, the railways will not get any, and even then they would have to compete to a certain extent with the lake rate or the lake and rail rate.

Another point which I wish to submit to the house is that the railways are to-day giving to Canada, as I stated and as has been stated by many railway authorities—I am not one of them—the lowest rates in the world for like distances, and consequently in view of the financial condition not only of the Canadian National but of the Canadian Pacific it would be of the most serious consequence to them if they were forced to give rates which would not pay them. Remember that if the railways of Canada, which are to-day having great difficulty in getting along at all, were forced to cut down their rates still further, they might be put in the position of threatening very seriously the maintenance of adequate railway services from one part of Canada to the other. All railways, not only Canadian railways but the railways on the American side, have, during the past few years, found it necessary to defer maintenance on their roads because they have not been earning sufficient money to provide themselves with rails and railway equipment, even with ties and various other materials which they require to keep them going so far as maintenance is concerned.

[Mr. Manion.]

Therefore if they were forced to lower their rates still further they would to a still greater degree be forced to defer maintenance; that would automatically lead to a greater amount of unemployment among those who carry on the maintenance, and that would mean a greater tax upon the Canadian people.

It is also well to remember that this country because of its great distances cannot get along without railway services, and if we put the railways into still greater difficulties we are really cutting our own throats because we are putting ourselves in a position in which we could not continue to exist.

It is perhaps as well to point out that the Canadian Pacific Railway in 1934, so far as my information goes, just earned its interest on its bonds, and the Canadian National, as this house knows well, is about fifty million dollars, in round figures, short of earning its interest payments for the past year. I submit that they could not stand very much pressure in the way of lower freight rates although individual sections might be served.

The hon. member also argued that the rates to British Columbia should be lower on certain lines through the rockies because of their lower grades. He did not mention an obvious fact, that the construction costs through the mountains are exceedingly heavy and the running of trains is difficult and sometimes hazardous. There is hardly any local business through the mountains. We all remember that only a few weeks ago a severe snow storm tied up trains in the Rocky mountains for as long as nine or ten days. This is something which does not occur in any other section of the country and it illustrates the difficulty of operating trains through the mountains.

I do not know that my hon. friend used the argument the other evening, but it has been argued before that the parliament of Canada passed the Crowsnest pass rates. However, it should be remembered that the act covering these rates was passed in 1897, seven years before the board of railway commissioners was set up. At that time parliament was justified in acting, but at the present time I submit that it is not justified in dealing with such a complicated question as this. I might tell the house that the board of railway commissioners has been rarely overruled by the government. I made it my business to-day to obtain some information from the board as to the number of appeals which have been made against their judgments. They furnished me with the information that appeals to the governor in council had been made from forty-five of their judgments in

the period from February 1, 1904, when they were organized, to December 31, 1934. Of those appeals, forty-two were disallowed, referred back, dismissed or abandoned; in other words, the judgments were not interfered with. Of the three appeals which were allowed, one was in connection with a railway crossing, nothing whatever to do with freight rates. Another was in connection with the National Dairy Council of Canada and was against a ruling of the board dated November 21, 1922, in connection with a twenty per cent increase in cream rates. This was a protest against an increase in rates. The third appeal was made in 1924 when the governments of Alberta, Saskatchewan and Manitoba appealed from order number 408 dated October 14, 1924, regarding the Crowsnest pass rates. This appeal was allowed because of a decision of the supreme court. The supreme court had decided the case and the government merely accepted its decisions. In the period from 1904 until the end of 1934 there were forty-five appeals and in no case was a decision given by the government putting into effect a lower freight rate so far as any normal or standing freight rate was concerned.

I shall not take up any more time except to say just a few more words. I compliment the hon. gentleman upon his persistence. He has had this matter up before this house four times; he has had it up before the board of railway commissioners, and he is now making an appeal. However I submit with all deference that his persistence does not make his bill a proper one. I do admit that the freight rate structure of Canada is antiquated. It is in a more or less chaotic condition and I believe there will have to be something in the way of a complete investigation into the freight rates in the near future with the purpose of wiping out some of the chaos which exists and putting the freight rates in a more equitable condition. While I admit that an investigation is needed, that is a different question from the parliament of Canada attempting to adjudicate upon a question of this kind. The government feels, as we have felt for the last four years, that we cannot take the position of making freight rates in this house and we must therefore oppose the second reading of this bill. I submit to hon. members opposite with the best intention in the world that if they are by any chance the winners at the next election and the hon. member introduces a similar bill, they are likely to be embarrassed due to the fact that some of them have voted as they have. The government of that day might be in the rather awkward position, if it were consistent, of trying to adjudicate upon a question of this kind. I merely mention this in passing.

Mr. CANTLEY: It is a long way off.

Mr. MANION: Yes, I think probably it is, but I am just pointing that out. For these reasons I submit that this question is not one upon which this parliament could give a decision favourable to the hon. gentleman.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I intend to detain the house but a few moments in connection with the bill introduced by the hon. member for New Westminster (Mr. Reid). This bill seeks to add to subsection 5 of section 325 of the Railway Act the following words:

> —and to all such traffic moving westwardly from Fort William, and from all points on all lines of railway west of Fort William, to Vancouver, British Columbia and to points on the Pacific coast,—

I desire to take this opportunity of complimenting the hon. member for having made his plea year after year ever since he came to this house. He has made this matter a live issue as far as the interests of the people of British Columbia are concerned. Regardless of any political affiliations he has acted in their interests and the interests of the people of western Canada generally.

In the few minutes I have at my disposal I shall refer to the five reasons given by the Minister of Railways (Mr. Manion) for opposing this measure. Those five reasons, while they may be worthy in themselves, are entirely inconsistent in the general composite structure of the opposition which he is offering. The first submission made by the minister was that parliament is not the proper body to make freight rates, that the building up of a freight rate structure should be left to a body of technical experts. He contended that the board of railway commissioners had been specifically created for this purpose. I agree with the minister so far as the general details of a freight rate structure are concerned, but here we have at stake a basic principle of fundamental justice. When we must make a decision in regard to such a principle, the proper body to adjudicate upon the equity and justice of this principle is the court of last resort, the parliament of the Dominion of Canada, and not any body of experts. I am endeavouring to differentiate between the details of a common freight rate structure as they apply to any section of the country and

a violation of the basic principle of fundamental justice and rankest discrimination against a splendid section of this country.

The second point made by my hon. friend had nothing whatever to do with the ability or inability of this parliament to adjudicate a question of justice which concerns British Columbia and western Canada. I cannot quote him word for word but the sense of his remarks was that there was no fairness in comparing rates from the prairies to Vancouver with those from the prairies to Fort William. He stated that many of the rates applying in eastern Canada were paper rates, in other words, that British Columbia and in particular the ports of Vancouver and Prince Rupert, must suffer the inequalities and injustices of an unfair structure of freight rates because the ports are open the year round. We are being made to pay for our climatic superiority through an unjust discrimination in favour of certain sections of eastern Canada.

I have come now to the third reason given by the minister. He said that if the railways are going—

Mr. MANION: I am sorry to interrupt my hon. friend, but I am sure he wishes to be fair. I was dealing not with the rates from the prairies to Fort William but with those from the head of the lakes to Montreal. I say this so that the record may be straight. That was a different thing from the rate from the prairies to Fort William.

Mr. CHAPLIN: How long has this injustice been going on?

Mr. MACKENZIE (Vancouver): It has been going on —

Mr. CHAPLIN: It went on for ten years under the previous government.

Mr. MACKENZIE (Vancouver): I am not discussing what has happened under either party; I am arguing for simple justice for the west. With all respect to the minister, I took down his words and I think Hansard will bear me out when I quote him as having said that there is no fairness in comparing the rates from the prairies to Vancouver with the rates from the prairies to Fort William.

Mr. MANION: That is correct.

Mr. MACKENZIE (Vancouver): And he said that the rates from the head of the lakes to Montreal were largely paper rates and were dictated by cheaper water competition.

Mr. MANION: My hon. friend has me right now; he did not have me right the other time.

[Mr. I. Mackenzie.]

Mr. MACKENZIE (Vancouver): I am dealing with two different things. The minister did discuss a comparison between the rates from the prairies to Vancouver as against the rates from the prairies to Fort William, and he said —

Mr. MANION: I said that the comparison was unfair, not because it was a paper rate but because the grain at the head of the lakes was still inland and had to go a thousand miles.

Mr. MACKENZIE (Vancouver): I agree with the minister, and that is my point. I contend that you are building up a discrimination in freights against the open ports of the Pacific inasmuch as geographically you are compelled to have the grain locked up for several months. But why should we suffer the inequalities in this freight rate structure merely because we have been given by providence certain ports which are open the year round?

The next point made by the Minister of Railways was this—and here he went off at a tangent—that the rates are now the lowest in the west, that the railways could not maintain equipment, that there would be increased unemployment and greater taxation if they forced to lower their rates still further. He also said that the Canadian Pacific Railway in 1934 had barely earned its interest on its bonds. Let us analyze the significance of that argument. Vancouver, Prince Rupert and Alberta are to be discriminated against because the railways of Canada are facing at the present time a severe financial stringency. But, I submit, why should we be the ones to suffer as a result of the financial conditions in which the railways of Canada find themselves to-day? Should not this be the proper course? Should we not in the first place establish a uniform system of equity and justice in the freight rate structure of the country, and then on that basis of equity of contribution and sacrifice do everything possible to assist both the privately owned railway and the public system?

Mr. HANSON (York-Sunbury): On the basis of my hon. friend's argument, the establisment of an equitable base, would he be willing as a first step to scrap the Crowsnest rates?

Mr. MACKENZIE (Vancouver): My hon. friend as usual is trying to draw a red herring across the trail. I think that one of the greatest tasks ahead of some government in the future is to establish for the first time in Canadian history a scientific freight rate structure, because the entire structure as it

exists to-day is lopsided, having been built up from the point of view of sectional interests since confederation—concessions here and concessions there. From our point of view we can prove that there has been the rankest discrimination against us in the west from the operation of the freight rate system of Canada as we have it now.

The fourth point made by my hon. friend is the very old and ineffective argument, that construction costs were exceedingly heavy in the Rocky mountains while local business was small, therefore we in the far west must pay the penalty of our geography. I do not believe that argument is based on fundamental justice. All that my hon. friend from New Westminster wants, all that the people of British Columbia are asking for, irrespective of party, is that there shall be applied to this question the fundamental principles of simple justice. My hon. friend's next point was that the board of railway commissioners was pretty much a sacrosanct institution, that it had always been successful in its decisions and that appeals against it had failed; therefore, according to my hon. friend, we should look to it as the court of last resort. They had ruled against the contention of my hon. friend from New Westminster and therefore they were the court of last resort.

Mr. MANION: My hon. friend is not fair. I did not say that because they ruled against the hon. gentleman's contention we should therefore accept them as the final authority. I said that all governments had accepted their rulings, in practically all of forty-five cases.

Mr. MACKENZIE (Vancouver): I accept my hon. friend's amendment. But these are days of new deals, especially in the ministry to which the hon. gentleman belongs. But even granting that in the past governments have accepted with a degree of finality the judgment of the board of railway commissioners in these matters, surely my hon. friend must recognize that to-day we are endeavouring to meet new conditions, and we are appealing for justice to be meted out to the west and particularly to British Columbia.

The final point made by the minister was one that was not worthy of him, if I may say so in all kindness. He said that if we were sitting where he is now, inside of two or three months—and we certainly shall—and we were confronted with the same problem, we might feel a certain degree of embarrassment if my hon. friend from New Westminster should bring up the question again. Let me say to the minister that those of us who come from British Columbia, and possibly this will apply to my hon. friends from that province sitting on the other side of the house, regardless of the issue of the next election, intend to continue to fight to see that justice is done our province and Alberta and western Canada generally with respect to this question of freight rates, which at the present time works the cruelest discrimination against the whole Pacific coast and the western plains of this dominion.

Mr. A. W. NEILL (Comox-Alberni): I wish to say a word or two in support of this bill. I introduced the same subject many years ago, not perhaps by way of a bill but by way of a resolution and when the estimates were under consideration. I introduced it a number of times before the hon. member who sponsors this bill came to the house, but when I found that he attacked the injustice with so much vigour and energy I was glad to leave the matter in his capable hands. The hon. member for Lincoln (Mr. Chaplin) has asked how long this injustice has continued. I can recall the time when he sat in the opposition for a number of years—and when you are in opposition is the time to be virtuous—and I cannot remember his ever lending the weight of his influence and his voice to support the cause when I urged it. I know he has a good memory because he has checked me up more than once, and if he supported me on those occasions I shall be glad to be corrected. I cannot remember however that he ever did so.

The Minister of Railways (Mr. Manion), in opposing this bill, has made allusion to appeals to the privy council, otherwise the cabinet. The Prime Minister (Mr. Bennett) discussing this matter some years ago, said that it was not a wise thing, the arrangement that existed of taking appeals to the privy council, because it was taking them to a body whom he termed politicians, a political body, and he gave reasons to show how it had originated in that way. He said the arrangement was no longer desirable, and with that I agree to some extent, as I did then. But I suggested then, as I suggest now, that the proper appeal should be to the exchequer court where it would not be considered by a political body and there would be none of the dangers attending an appeal of that sort.

The minister said that this parliament was not a rate making body. May I point out that we passed a vital act dealing with Crowsnest rates in 1923 or 1924. Then he speaks about its being undesirable to interfere with it because it is such a complicated structure. But who asks him to change the structure? We are merely asking him to remedy an obvious injustice, something which is so

obvious that a schoolboy can see the logic of it. We do not propose to tear down the whole structure; that is not suggested. Perhaps I might give an analogous illustration. If my wife asked me to fix a screen door on which one of the hinges was lose, needing a nail and I said, "Woman, I cannot possibly build a house," the obvious answer to that would be, "It will be time enough to talk about building a house when you are asked to build one; in the meantime the hinge needs to be fixed and can be fixed." But there is one thing in all the arguments—and I have heard a great many in the last fourteen years—and it is this. I have never heard anything said really to justify the existence of the differential between the export rate and the domestic rate. Attempts have been made to cover it up, to sidetrack it, but I have never heard an attempt made to justify it. The minister spoke about the heavy snowfalls causing increased transportation costs on grain going through the Rocky mountains, but snow falls on the just and unjust alike; it falls on trains carrying export as well as domestic wheat. Therefore that argument in favour of a differential is quite absurd.

Mr. MANION: I was only pointing out the high cost of operation in the mountains. If the hon. member will take my arguments and deal properly with them, I have no objection; but I do object to his twisting my statements. I said that operating costs were higher in the mountains than on the prairies.

Mr. NEILL: Why did my hon. friend say that if he did not use it as an argument?

Mr. MANION: My hon. friend from New Westminster in his speech had argued as to the low grades and cheap operating costs in some sections of the mountains. I used the argument as contra to that.

Mr. NEILL: Then they were both illogical, as the cost does not affect the differential.

Mr. MANION: There is only one logical man in the house, I suppose.

Mr. NEILL: There is, I am glad to say, generally one person right in an argument. The minister spoke about the cabinet not being in a position to handle this question. I quite frankly admit that the cabinet is not the best body to handle it on an appeal, but the cabinet have given an illustration of what in part they have already done, and they could do this: they could put pressure on the railway companies to reduce the differential not only to the extent they have already done it—for they have only cut it in half and at present this applies merely to No. 4 tough wheat and coarse grains and lower—but if they could apply it to No. 2 tough and lower and all mill feeds a good deal of this trouble would be eliminated. There is no justification whatever for making this apply to some grades of wheat and not making it apply to mill feeds. I believe mill feeds were originally left out more or less by a misunderstanding than on account of anything else.

The minister says that the railways might lose money and curtail their services to the people. He does not need to worry about that because I am credibly advised that the putting on of that reduced rate resulted in increased traffic that was profitable to the railway companies, as the rate is still much higher than the export rate; and I will defy anyone to say that the export rate is not profitable to the railways, otherwise they would not be so keenly competing with each other to get the traffic. Therefore it is profitable for the railways to carry export grain at a fixed rate, and consequently it must be profitable for them to carry domestic grain, which does not cost any more to haul and which is of less value, at a price something less than double the export rate. If the minister could use his influence—and he can because he has used it already and the Prime Minister has used his—to have this rate apply to No. 2 tough wheat and lower and coarse grains and mill feeds, it would meet a great deal of the complaint this bill seeks to remedy.

Mr. THOMAS CANTLEY (Pictou): I listened with a great deal of interest to the speech of the Minister of Railways (Mr. Manion) and with rather less to some of the speeches that followed. The minister suggested that perhaps railway rates to-day are antiquated. They may be, but the man that undertakes to revise and redraft railway rates in this country is undertaking a pretty big task. There is no possible doubt that Canadian export rates are to-day the lowest in the world and are not made on any reasonable scientific method of providing the railways with adequate revenue for the work which they perform. Roughly our export rates are about fifty-five per cent of the United States rates for like distances or like commodities; that is a fact which cannot be successfully controverted. If the Canadian National Railways were able to-day to get the rates that are extorted by United States and continental roads, not only would they show a surplus, but with that surplus they would be able practically to rebuild their entire motive power and their rolling

stock as well. I am quite satisfied that any hon. member who gives close study to the matter and looks into the whole structure of railway rates in this country for the last twenty or thirty years will bear me out in the conclusions I have reached. I know of no branch of industry in Canada that has a poorer showing for its investment for the energy and ability with which it has been managed, than has our railway system.

Mr. THOMAS REID (New Westminster): I do not know whether I have time at my disposal this evening to deal with all the arguments which have been advanced by the Minister of Railways (Mr. Manion) against this bill, which I have introduced now for the fourth time. At the outset he spoke about the House of Commons not being the proper place for rate making. Were I bringing up the general question of freight rates in the house, there might be some force in his argument, but I am not doing that; I am asking parliament to give British Columbia what parliament in 1925 gave for all grain traffic going to Fort William, a rate which had been in existence since 1897. The Minister of Trade and Commerce (Mr. Hanson) interrupted to ask whether we would care to advocate the abrogation of the Crowsnest pass rate. No, we are asking: Give us the Crowsnest pass rate. When speaking the other day I said that the government would not dare to abrogate that rate.

Mr. MANION: Have you not the Crowsnest pass rate on export grain now?

Mr. REID: I contend that we have not. It is still two or three cents higher if you take the actual mileage, but I am not bringing up that point just now; I am asking that the domestic rate be the same as the Crowsnest pass rate.

Mr. MANION: That is a different matter, but you have the Crowsnest pass rate at the present time on export grain.

Mr. REID: That is a debatable point, but I am not going into that because I am dealing with grain for domestic purposes in British Columbia and I am asking that that grain be given the Crowsnest pass rate.

As regards the minister's remarks about export rates being competing rates, might I point out that argument has been advanced many times by the railroads, but when it suits they are very good at changing their ground. When we quote certain rates to them, they have other excuses to offer. When we said that the domestic rate from Fort William to Montreal was twenty-five cents and the export rate was thirty-four and a half cents, they had no answer to give. Let me point this out to the house; the railways have never shown that export rates at present in existence from Calgary or Edmonton to Vancouver mean a loss to them. I maintain that the rate of twenty cents is a paying rate and two of the members of the board of railway commissioners say the same thing. If that rate is a paying one, why should we in British Columbia for the grain we use have to pay one hundred per cent more than do our competitors in other lands? It is no wonder that at one time the people of British Columbia were seriously thinking of buying Canadian grain in Japan or England and bringing it into that province. There was a time in 1934 when Canadian grain, Nos. 2, 3 and 4, could be purchased in Yokohama, Japan, and brought into the Fraser valley at twenty-five cents a ton cheaper than the price at which it could be brought in from the prairies. I was one of those who advocated that we do this and thus prove the utter absurdity of charging us forty-one and a half cents a hundred pounds for inferior grain when our competitors in Japan could purchase the same or higher grades at a much cheaper rate.

The minister spoke about the United States rates, but he was not exactly fair in that. I have before me the whole rate structure as presented by the railway companies in the appeal last fall. I shall take the time to dispute the statement made by the minister, even if the discussion has to continue at the next sitting. Take the case of Cut Bank, Montana, 732 miles. It is true the old domestic rate was 38½ for wheat as against 41½ for our domestic rate. I admit that tariff No. 145 is now 30½, but the Minister of Railways ignored entirely the fact that there is another rate for coarse grains.

Mr. MANION: In the United States?

Mr. REID: Yes.

Mr. MANION: I apologize for interrupting, but I think my hon. friend is wrong.

Mr. REID: These are figures presented by the railways before the board of railway commissioners. A copy was given to me by counsel.

Mr. MANION: Will the hon. gentleman read the rates?

Mr. REID: Yes, I shall take Shelby, Montana: distance, 757 miles; old domestic rate, 38½; coarse grains, 34½. Now, 34½ for coarse grains and mill feed is considerably better than 41½.

Mr. MANION: But it is not as cheap as our rate on low grade grain at the present time.

Mr. REID: The trouble with the minister is that he is not conversant with feed requirements. In the Fraser valley, and I suppose in other farming districts where they keep cows and chickens, mill feeds represent fifty per cent of the requirements.

Mr. NEILL: More.

Mr. REID: A grave injustice was done in not including mill feeds in tariff No. 145. The farmers who have cows and stock to feed are still paying 41½ cents on mill feed as against 20 cents per hundred pounds on low grade grain. I could quote many rates from the United States, but if you look at coarse grains all the way through you find that they are carried at far cheaper rates than mill feeds to British Columbia.

It is unfair to quote the export rates in the United States, because the United States have practically no export of grain as compared with the Canadian side. Only something like twenty-five per cent of their grain is exported, against seventy-five per cent of Canadian grain. They are not a wheat exporting nation, but with us wheat constitutes the great bulk of our exports and of the traffic on the railways.

Then coming to the question of grades in the United States, they do not compare with the low grades in British Columbia. I think the minister rather questioned my statement that construction and maintenance costs in British Columbia are less. I am quoting from evidence given in the general freight rate investigation, and will quote the construction costs at a few points, because it should be driven home to many hon. members that the trains do not go up over the mountains and then drop down into the valleys; the grades in British Columbia are comparatively the lowest in Canada. Coming to construction costs, and taking the Canadian Pacific—because they have the heavy grades—from Kamloops to Hope the distance is 168 miles, and the cost was $133,563 per mile. That is the cost with the heavy rock work. Compare that with Montreal to Ottawa, which you would think is a nice grade—111 miles, and the cost was, $178,614 per mile. Yet from year to year we have the Minister of Railways telling the house that construction costs in British Columbia are higher. Let me give another example: Hope to Fraser River Junction, 77 miles, cost $51,544 per mile. Compare that with Joliette to Garneau Junction, 61·5 miles, cost $62,394 per mile. These were sworn statements made before the board of railway commissioners; they were not just picked up anywhere.

We come then to operating costs. In 1925 in British Columbia the figure is $3,825 per mile, and on the prairies, that some people think are as level as a billiard table, the cost was $4,702. In British Columbia we have the finest and best grades in the whole country, and I wish hon. members would stop talking about higher grades in the mountains. I repeat that operating costs, maintenance costs and construction costs were lower in British Columbia, even on the Canadian Pacific, which has the highest grades, than in many sections of the prairies and many sections of the east. I have the facts before me in sworn statements made before the board of railway commissioners in the general freight rates investigation.

When it comes to the question of the cost of hauling grain, or any other freight, there is not an expert for the railways, or in fact anyone who can tell what it costs to haul a ton of freight a mile. They all say it cannot be done. So the question of costs cannot enter into it. It is just that the Canadian Pacific railway back in 1886 said: We will soak British Columbia for something, after having been paid heavily for going into that province, and they have maintained that attitude ever since.

I want to put one or two more figures on record, because this is probably the last appeal I shall be making before this government. The Minister of Railways warned and almost threatened us to-night, saying: Don't you Liberals vote for this or else if you get into power you will be in a fix. But if I am fortunate enough to be in the next parliament this will be one of the first bills on the order paper; I will not be like some members from British Columbia who when in opposition say they are in favour of this but will not support it when their party is in power. It is true that this question has been brought up in the house many times by way of resolutions and in speeches, but before I came here I recognized that this was the place to fight British Columbia's battles for equalization of freight rates and so have persistently kept up the fight. As regards eastern points, and the maritime provinces especially, I do not want to raise the question of east against west, but let me point out that if British Columbia gets equalization on the basis of the Crowsnest pass rates, the eastern provinces will still have lower rates.

Why can they not join with us and help British Columbia to get this? What are they afraid of? We are asking only for justice. I am going to put on record rates to the maritimes to prove to the minister that they are not as he stated, merely paper rates, because some quantities of grain go through the maritime ports as well as Montreal and Quebec. I have the figures here.

Mr. MANION: I did not say it was a paper rate from Montreal to the maritimes; I said from the head of the lakes to Montreal.

SUPPLY

NATIONAL DEFENCE

The house in committee of supply, Mr. Morand in the chair.

Salaries, $402,692; contingencies, $45,948.

Mr. HANBURY: Would the minister make a statement as to the progress being made in the construction of the armouries for the Seaforth Highlanders in Vancouver?

Hon. GROTE STIRLING (Minister of National Defence): Tenders are about to be called for; they have not yet been received.

Mr. HANBURY: Are public or private tenders to be asked for?

Mr. STIRLING: A list of contractors are being asked to tender.

Mr. MACKENZIE (Vancouver): Private tenders.

Mr. HANBURY: Would the minister give the names of the companies which will be asked to tender?

Mr. STIRLING: I am afraid I have not a list with me, but I shall be very glad to get it for the hon. member.

Mr. HEAPS: Will the barracks put up by the government be government property after its erection or is it being put up by a private organization?

Mr. STIRLING: I do not understand the question.

Mr. HEAPS: We had instances last year when certain private organizations put up barracks with the assistance of government funds and government guarantees. Is the barracks at Vancouver being put up entirely by the government and will it be the property of the government or, as has happened in other parts of western Canada, will the completed building be the property of a private corporation?

Mr. STIRLING: I think the hon. member is referring to the basis of rental-purchase. This barracks is not being built under that arrangement, but is under the Public Works Construction Act.

Mr. HEAPS: Will the construction of these barracks, wherever they may be, be done on that basis, and not on the basis of rental-purchase? Will that be the policy of the department?

Mr. STIRLING: Yes. Speaking generally, and not binding myself to any definite statement on the subject, I would say we are not now proceeding under the rental-purchase system, but rather under a system of direct construction.

Mr. HEAPS: What need is there in Vancouver for the construction of this building?

Mr. STIRLING: For the accommodation of the non-permanent active militia of that city.

Mr. HEAPS: How many members are there in the non-permanent active militia, and what quarters have they at the present time?

Mr. MACKENZIE (Vancouver): As I happen to be conversant with the situation perhaps I might reply to the hon. member. I wish to support the minister to the utmost degree and to state that the present headquarters of the Seaforth Highlanders in Vancouver is entirely inadequate, nor is it sufficient to carry out the duties of one of the oldest militia units in Vancouver. I am in favour of the vote for the building of the armouries for the Seaforth Highlanders.

Mr. HEAPS: If the minister cannot tell me, possibly the hon. member for Vancouver could tell how many members there are in the organization?

Mr. MACKENZIE (Vancouver): That would depend on the number of recruits, from year to year. It would depend, naturally, on the number in the active militia and in the reserve battalion. There are three or four hundred in the militia, but the number could be increased over night to several thousand, if necessary.

Mr. MacINNIS: The last time this item was up for consideration I asked if the minister had an estimate of the value of the work done by the men in the National Defence unemployment relief camps. At that time I believe he said he had an estimate, and I should like him to give me the figures.

Mr. STIRLING: The hon. member has asked for the expenditures on relief camps?

Mr. MacINNIS: No; I asked for the value of the work done by the men in the National Defence unemployment relief camps.

Mr. STIRLING: I have the estimated value of the work done up to September 30, 1934. It is based on an average efficiency of relief personnel of fifty per cent, and the figure is given as $6,747,331. The total man days of relief afforded to that date was 7,569,199.

Mr. MacINNIS: Is that for the whole of Canada?

Mr. STIRLING: Yes.

Mr. MacINNIS: Is the twenty cents per day allowed the men in the relief camps paid on days when the weather is not fit for the men to work?

Mr. STIRLING: If the men go out at all to work they receive the allowance.

Mr. MacINNIS: If the weather is so bad that they cannot leave the camps they are not paid the allowance?

Mr. STIRLING: Under those circumstances they do not receive the allowance.

Mr. MacINNIS: Some little time ago about forty men were arrested for getting relief under false pretences. I believe they went into the camps under assumed names. Who authorized the arrests? Was it the Department of National Defence?

Mr. STIRLING: Could the hon. member give me some further information in the matter?

Mr. MacINNIS: Some of the arrests took place in the city of Vancouver, and some of them in other British Columbia camps.

Mr. STIRLING: When?

Mr. MacINNIS: Approximately three weeks ago.

Mr. STIRLING: I am without information with regard to the matter. I do not recollect anything of the sort coming before the Department of National Defence.

Mr. HEAPS: In years gone by we have protested about the inadequate allowance given by the government to the young men who are forced to go into the relief camps and to accept twenty cents a day or about $5 a month. I was glad to observe the government saw fit to bring in a measure providing for a minimum wage, and as a result of which I hope before long we will have a national minimum wage in effect. In the event of the minimum wage law becoming effective will the Department of National Defence live up to government regulations and pay these men in the camps the minimum wage prescribed in their legislation?

Mr. STIRLING: I believe the hon. member is referring to a discussion which took place on a previous occasion when this estimate was before the committee. The hon. member for Quebec South (Mr. Power) raised the same point. I believe these hon. members have failed to realize that the handling of relief is as a result of arrangements made between the federal and provincial governments after the provinces had asked the dominion for assistance. By agreement the dominion took over the care of the single homeless unemployed men and stipulated that in certain places throughout Canada camps should be erected in which those men could find work to do. In the event of the men accepting the work provided they were to receive certain food, clothing and shelter, plus an allowance of twenty cents per day. By agreement with the provinces that was undertaken, and the men who choose to comply with the regulations obtain work and receive the returns.

Mr. HEAPS: That does not answer my question. As I said before, in years gone by several of us in this part of the house have protested against the totally inadequate allowance given by the government to these young men who are compelled by force of circumstances and through no fault of their own to go into these relief camps. Now that we are trying to bring about better social conditions throughout the country and improve the lot of the under dog I think it would be an appropriate time for the government to step in and give to these young men who are rendering useful service to the country something more than the twenty cents per day that they are now receiving. I have had many complaints from the camps. I received one only this week from a camp somewhere near Hudson, Ontario, along that very line. Men leave the camps often without a cent in their possession because of the very low allowance they receive from the government, and they go out into the world almost penniless. If they are doing work at all they should be paid a proper rate by the government for what they do. I know that many young men are forced by the regulations in some of our municipalities to go into these camps, otherwise they cannot get relief from the municipality. In view of these circumstances, when they are compelled to go into the camp and are forced

to work they should be given more than twenty cents a day.

As I have said, the government contemplates introducing minimum wage legislation, and I am now speaking of the principle of that minimum wage legislation. If we are to adopt the principle of the payment by employers of labour of a minimum wage for services rendered in any part of the dominion, I think one of the first to recognize that principle should be the government themselves; for how can we expect any private employer of labour to accept the principle if right off the bat, so to speak, the government refuse to adopt the very principle which they are responsible for, and for which no doubt they will take so much credit when the time arrives? So my plea to the minister is that he should not only take into serious consideration but act favourably upon the idea of paying to these young men who are in the camps a proper wage for the work they do. That at least would be comforming with the idea the government has in mind in submitting to parliament minimum wage legislation.

Sir EUGENE FISET: I wonder if the minister would be kind enough to inform me if he has received a request from the officer commanding Les Fusilliers du Bas-Saint Laurent for an extension of the present headquarters of the armoury at Rimouski and also for the erection of a new armoury at Mont Joli in the county of Rimouski. I think that a recommendation was sent to the general officer commanding the Quebec district and that it was strongly endorsed by him, and the officers of the regiment were rather encouraged by headquarters to believe that the recommendation would be favourably considered and acted upon out of the general relief appropriation.

Mr. STIRLING: I did receive such a communication, and the question is under consideration along with the requests of many other regiments who have made similar applications.

Sir EUGENE FISET: During the last war this regiment under the voluntary system furnished 2,500 men to go overseas, and the bulk of them formed part of the 22nd regiment. It is one of the most deserving units you could possibly find in the whole of Canada, and if the minister could see his way clear to helping them I think it would be rendering a great service to the cause.

Mr. STIRLING: I shall be very glad, Mr Chairman, to give the matter full consideration.

Mr. MacINNIS: May I ask the minister if the twenty cents a day which the men receive in the unemployment relief camps is a wage or an allowance?

Mr. STIRLING: It is an allowance.

Mr. HEAPS: An honorarium.

Mr. MacINNIS: Then if it is an allowance why is it not paid on the days the men do not work as well as on the days they do work? The men believe it is a wage, and I think there is some logic in their argument. I would ask the minister to take into consideration recommending to the government that this allowance be paid regardless of whether the men work or not, that is if the man is willing to work. I have a letter here from a young chap in one of these camps, and he says in part, "In the event of the weather being so unfit that we cannot work we lose a day's pay. Yesterday we were not able to work, so we lost twenty cents." Now twenty cents is not a great deal to the minister but it is a great deal to the men in these camps. Circumstances alter cases, and I am sure that if the minister was in the camp at twenty cents a day he would like to get that twenty cents. My correspondent goes on to say, "Believing that the government would not stop that twenty cents if they knew about it, I am risking writing to you and losing my job in the bargain if caught." I would like to impress on the minister that here is a young chap who still has some faith in the government, and I think the government needs all the faith that is possible in these hard times. I suggest that the government stretch a point here—it is not a very great stretch—and consider giving to these men the allowance regardless of whether the day is fit for work or not. I hope the minister will take that suggestion into consideration.

Mr. STIRLING: Certainly. Every suggestion made in this committee will be taken into very serious consideration.

Mr. HEAPS: I am always afraid, Mr. Chairman, that when these suggestions are taken into serious consideration they usually go into the waste paper basket.

Mr. STIRLING: Oh, no.

Mr. HEAPS: I would much prefer that the minister say to my hon. friend from Vancouver South (Mr. MacInnis), "Yes, we will accede to your very modest request." After I have been asking that these men be paid the minimum wage I am surprised that my hon. friend from Vancouver South should come along with such an exceedingly modest request

as he has made. It has left me almost speechless. I woud seriously ask the minister not to take my hon. friend's request into serious consideration, but here and now to give assent to it so that the men in the camps shall at least be assured of twenty cents a day whether the weather is fine or not.

Mr. MacINNIS: I almost feel like apologizing to my hon. friend from North Winnipeg (Mr. Heaps), but my ancestors were Scotch. I think the minister should give me a definite answer to this very modest—much too modest—request, so that I may have a reply to send to my correspondent.

Mr. STIRLING: I suggest that the hon. member reply to his correspondent that on the 22nd of March he brought the matter up in committee of supply and the minister responsible assured him that, just as every suggestion would receive earnest consideration, his would.

Mr. HEAPS: And sympathetic consideration?

Mr. STIRLING: Yes, and sympathetic consideration.

Mr. GARLAND (Bow River): I want to join my voice to the protests of other hon. members in this corner of the house with respect to this twenty cents a day business. I frankly think it is a disgrace to this country, particularly after all we have heard to-day regarding our wealth and returning prosperity, that this twenty cents a day, this miserable and utterly inappropriate pay, be continued even if it is called an allowance.

But I rose for another purpose, in connection with a complaint that I placed before the minister some time ago in regard to some of the camps out from Calgary. Since taking that matter up I have received from the office of the city clerk of Calgary some correspondence in connection with this case. I find that on February 5 the city clerk, J. M. Miller, wrote a note to his worship Mayor Davison in the following terms:

Dear Sir:

I beg to advise you that council, at its regular meeting held last evening, adopted the following motion:—

"That this council authorize His Worship the Mayor to direct to the attention of dominion and provincial government officials the plight of single men at present in Calgary, formerly of relief camps, requesting that some provision for their maintenance be immediately undertaken and the present situation thereby rectified.

"Further, that an investigation be immediately undertaken by the dominion and provincial governments concerning reported unsatisfactory conditions at the various relief camps and a report thereon furnished this council."

Kindly give this matter your attention.

Yours truly,
J. M. Miller,
City Clerk.

Mr. STIRLING: What is the date of that letter?

Mr. GARLAND (Bow River): February 5. On February 6 the following letter was written by A. Davison, the mayor of Calgary, to the Honourable Wesley Gordon, Minister of Labour, Ottawa, Canada:

Dear Sir:

The following resolution was passed by our city council at its regular meeting on February 4th, and I forward same to you for your consideration and action.

"That this council authorize His Worship the Mayor to direct to the attention of dominion and provincial government officials the plight of single men at present in Calgary, formerly of relief camps, requesting that some provision for their maintenance be immediately undertaken and the present situation thereby rectified.

"Further, that an investigation be immediately undertaken by the dominion and provincial governments concerning reported unsatisfactory conditions at the various relief camps and a report thereon furnished this council."

A considerable number of single men are now drifting into Calgary from the various camps, and we are fearful unless some action is taken that a serious situation may develop locally. Your early attention to this matter will be much appreciated.

Yours very truly,
A. Davison,
Mayor.

The last paragraph had been added by the mayor. On February 20 the following letter was sent by J. M. Miller, city clerk, to Brigadier General D. W. B. Spry:

Dear Sir:

The council, at its regular meeting held with date of February 18th, had before it for consideration clause 1 of the report of the city commissioners' dated February 15th, and which concerns reported complaints to the council respecting single men's camps. A copy of the clause refered to, together with the correspondence referred to therein, is attached for your information.

In dealing with the matter the council instructed that the various features referred to in the reports of the investigating officers be directed to your attention and with a recommendation that better water supply be afforded, better recreational features furnished, that the men be permitted to formulate committees for the purpose of presenting their grievances, and if at all possible, that permission be granted the men to come to the city at times within reason.

Might I respectfully request that after the council's representations in this respect have received your attention that I might receive your report thereon.

Yours truly,
J. M. Miller,
City Clerk.

On February 22, Brigadier General D. W. B. Spry wrote to the mayor as follows:

Dear Mr. Mayor:

Receipt is acknowledged of the communication from the city clerk of February 20, 1935, attaching the correspondence of the city commissioner and the reports of the gentlemen you asked permission for to visit the Department of National Defence camps in the Kananaskis valley.

It does not appear to be clear to your committee re the point raised in regard to water supply, that these camps were under construction and final completion of wash houses had not been completed. Further, that it is the policy that all these camps are constructed by the men themselves. During construction it is only normal that improvised systems have to be employed. The water supplies are now practically all completed, leaving no further grounds for reasonable complaints.

In regard to recreational facilities, as you are no doubt aware a recreational hut is supplied by the department, but that all equipment, such as books, games, radios, gramophones, et cetera, are obtained from private subscriptions, in which the citizens of Calgary have assisted very materially, and the profits from men's canteens; mostly, however, by private efforts as canteen profits are of necessity small. Should your council feel inclined to assist us in this work by a grant for camps in the vicinity of Calgary, or to which Calgary men are admitted, it would be very greatly appreciated.

With regard to the method of registering complaints, the following are the regulations in this respect as laid down by the Department of National Defence for all camps in the dominion:

"The following rules regarding complaints will be observed:

(a) One of the fundamental and most necessary rules for the administration of unemployment relief camps is to forbid anything bearing the appearance of combination to obtain redress of alleged grievances. Appeals for redress by means of any document bearing the signature of more than one complainant, or by organized committees combining to make a complaint are strictly forbidden.

(b) If any man has a complaint or accusation to bring against a member of the supervisory or administrative staff, such complaint should be laid before the camp foreman, who, if necessary, will transmit it to district headquarters or camp superintendent.

(c) If the camp foreman neglects or refuses to attend to a complaint, the complainant may bring the matter to the notice of the district headquarters or camp superintendent.

(d) The department will not countenance any steps to bring accusations before the tribunal of public opinion, either by speeches, or letters inserted in the newspapers, by men actively employed on relief work. Such a proceeding is a glaring violation of the rules and shows a contempt for properly constituted authority.

(e) It is the duty of the camp foreman to investigate all complaints and, when receiving complaints for transmission to superior authority, to point out to the parties concerned any irregularity in the means they employ in seeking redress. In hearing complaints or statements, et cetera, camp foremen are advised to invariably have another member of the supervisory staff present as a witness to all proceedings. The complaint, when forwarded to district headquarters or camp superintendent, is to be accompanied by a statement and recommendation, if any, of the camp foreman.

(f) No application or complaint should ever be made to the civil power, except through the camp foreman or with his sanction."

Trusting the above is the information you require.

Yours truly,
D. W. B. Spry,
Brigadier General,
D.O.C., M.D. No. 13.

I have never heard of any such document outside of an internment camp during war time.

An hon. MEMBER: That would be in the army.

Mr. GARLAND (Bow River): The army is about the only place where you might expect such a suppression of individual and private rights. I resent this and I protest to the minister and to the government that these men should have the right to organize their complaint committees. I believe this government would be well advised to permit within the camps the form of self-government which is permitted within our universities.

Mr. McINTOSH: The right of assembly.

Mr. GARLAND (Bow River): At least the right of assembly to secure redress of wrongs. This is a violation of every decent law of British justice and practice, and the fact that such a Prussian-like document is presented as the official rules regulating a camp in Canada is certainly an indication of the ruthless character of the system which has thrust these men into the camps as the only means of escaping their misery and starvation. I want to make my protest in this matter as forceful as I can, and I repeat the words of Brigadier General Spry, as follows:

One of the fundamental and most necessary rules for the administration of unemployment relief camps is to forbid anything bearing the appearance of combination to obtain redress of alleged grievances. Appeals for redress by means of any document bearing the signature of more than one complainant or by organized committees combining to make a complaint are strictly forbidden.

What kind of men are these with whom we are dealing? Are they brutal men? Are they revolutionary? Are they not Canadian citizens who through no fault of their own are in this terribly unhappy condition? Surely the minister himself is sufficiently British in his instincts, a sufficiently good sportsman to understand that this is not sportsmanship. It is not even decency; it is sheer Prussian oppression. Under subsection (d) we find:

The department will not countenance any steps—

Note that; the department will not countenance any steps.

—to bring accusations before the tribunal of public opinion.

And so we have turned these relief camps definitely into military secret camps where the most rigid discipline—yes, more rigid than in war time, even worse than the discipline which the soldiers had to undergo—is carried out. These men are under more rigid discipline than is necessary for the maintenance of armed forces.

Mr. GRAY: Will the hon. member repeat the date?

Mr. GARLAND (Bow River): February 22, 1935.

Mr. HANBURY: Are you sure it isn't 1535?

Mr. GARLAND (Bow River): I am not so sure about that; it might be under Cromwell. The department, we are told, will not countenance any steps to bring accusations before the tribunal of public opinion.

—either by speeches or letters inserted in the newspapers by men actively employed on relief work.

Mr. HANBURY: Employed?

Mr. GARLAND (Bow River): Yes; "employed" is good in view of the discussion which we have had.

Such a proceeding is a glaring violation of the rules and shows a contempt for properly constituted authority.

The writing of a letter to my hon. friend here is a flouting of properly constituted authority, and so is the making of a speech in Calgary or in a camp or anywhere else.

Mr. HEAPS: Or in parliament.

Mr. GARLAND (Bow River): Well, we are not on relief yet.

Mr. HEAPS: Not yet is right.

Mr. MacINNIS: There is no civil authority.

Mr. GARLAND (Bow River): As to the replies received from the department, I have the following report to make. I asked the question:

Have men been ejected from this camp for having registered complaints?

The reply from the department was a categorical denial in the form of a negative—no. I at once took this matter up with my correspondents in Calgary and I am informed that the reply to the question, to use their own language and not my own, is "an absolute lie." They say:

Our committee have dealt with innumerable cases and this was confirmed by the foreman on our visit by the delegates.

In other words, men have been ejected for registering complaints, according to these people who have actually discussed the matter with the foreman. Moreover, when men are dismissed from camps we are told that adequate clothing is left them. On leaving the camp, I am informed, the men have to hand in all the clothing that they received on loan, except bare necessities. In the provincial camps, those operated by the provincial government, the clothing becomes the property of the man if he remains in camp for thirty days, but in the dominion camp the clothing is always lent and has to be restored as soon as the man leaves the camp or is discharged therefrom. I asked another question:

Are men who have been ejected from one camp under this department refused entrance into any other camp?

I received from the department, signed by the deputy minister, this reply:

Yes, unless the district officer commanding is satisfied that there is reasonable probability of their behaving properly in future.

I am informed that there is not a single instance, in connection with these particular camps, of a man who, having been discharged from one camp, was ever permitted to enter another under this department at any time, certainly never under the name by which he had been employed previously. This is the information that has come to me and I am passing it on to the minister in the hope that he will take the matter up. In subsection (f) of Brigadier General Spry's document of war I find this:

No application or complaint should ever be made to the civil power except through the camp foreman or with his sanction.

After all these people might as well be Armenians under the care of the Turks of old when they are so ruthlessly bereft of every civil liberty, every decency which we ought to expect among men. They cannot assemble to make their complaints vocally

in the proper way, nor may they write letters to the press, and they are not allowed to make public speeches. They must submit themselves utterly to the discipline, the rigorous military discipline of the relief camp. Is it any wonder that the city of Calgary has put on record two resolutions under date March 7, following the discussion we had previously in this house on this very question? The covering letter to myself reads:

Calgary, Canada, March 7, 1935.

Mr. E. J. Garland, M.P.,
House of Commons,
Ottawa, Canada.

Dear Sir:

Re: Single men's relief camps as operated by the Department of National Defence

For your information and attention I beg to enclose herewith copies of resolutions adopted by the city council from time to time, together with copies of correspondence which has taken place between responsible officials in this above connection.

The council in dealing with the communication of Brigadier D. W. B. Spry, D.O.C., military district No. 13, instructed by resolution that this matter be directed to your attention with a request that the various recommendations as set forth in resolutions of the council, copies of which are attached hereto, be carried out.

For the purpose of more clearly outlining the council's wishes in this respect, please find set out hereunder formal resolution adopted by the city council on the occasion of its regular meeting held with date of the 4th instant, namely:—

"That council's previous action, together with copy of regulations governing camps, as furnished by Brigadier Spry, in respect of complaints re single men's relief camps, be directed to the attention of the Right Hon. the Prime Minister of Canada and Dr. G. D. Stanley, M.P., with a request that our recommendations be carried out.

Further, that copies of resolutions and correspondence in this connection be forwarded to Mr. E. J. Garland, member for Bow River riding, with a request that the matter also receive his attention."

May I respectfully request, on behalf of the council, that the various matters receive your attention and consideration and that I be furnished with your reply thereto at the earliest convenience.

Yours truly,
J. M. Miller,
City Clerk.

The first resolution reads:

That this council authorize His Worship the Mayor to direct to the attention of dominion and provincial government officials the plight of single men at present in Calgary, formerly of relief camps, requesting that some provision for their maintenance be immediately undertaken and the present situation thereby rectified.

Further, that an investigation be immediately undertaken by the dominion and provincial governments concerning reported unsatisfactory conditions at the various relief camps and a report thereon furnished this council.

Evidently the conditions are still unsatisfactory, and I would sincerely ask the minister to have a further investigation made into the whole question. This is the other resolution:

That the various features brought out in the report of the reporting officers before this council, re single men's relief camps, be referred to the proper authorities in an endeavour to have better water supply afforded, better recreational features,—

Evidently the report was not satisfactory.

—permission to the men to formulate their complaint committees to present their grievances and to permit of the men coming to the city at least within reason. That a report on these matters be received by this council from the proper authorities.

I have not much more to say on this matter other than to convey to the minister this paragraph from a letter received from the United Workers' Council of Delegates of Calgary under date of February 20:

When a man is fired in the afternoon and no transport available he has to remain in camp until next morning, then he has to pay fifteen cents for breakfast.

After the munificent remuneration or honorarium of twenty cents a day has been paid.

The men are given transport to Seebe crossing and then told to fend for themselves. This means that they must walk two miles to the highway or risk their lives by boarding a freight, and they can then be picked up for breaking the law. When these men come into Calgary we always try to get them sent to a provincial camp, but they bring out records and I can assure you they have all their records except finger prints, and about the most they can find against these men is that they are not satisfied with their conditions, and we believe they have every reason to be dissatisfied when they get a miserable pay of twenty cents a day for a day's work.

Last October we had thirty men in from Coleman and the following facts were brought out in the police court here when nineteen men were given thirty days in Lethbridge for obtaining a meal without means to pay for same.

1. The men were transported to Frank and then told to board a freight to Calgary.

2. The camp foreman Captain Coates fired the men on the advice of the straw boss without questioning the men whatsoever.

3. The men were fired for complaining and organizing and the camp rules forbid organizations for the purpose of adjusting grievances.

4. Most of these boys had never been inside a police court before and the magistrate said he must punish them or many more men would leave the camps for the cities.

From a moral standpoint the camps should be abolished, but until they are able to do this they should at least pay a day's pay for a day's work and then a man could at least be able to leave the environment of the camps and come to the cities for recreation once in a while.

Thanking you for your attention and quick action on our previous letter, I remain yours fraternally,

E. Le Vesionte,
Secretary-Treasurer.

I think I have given enough to the minister to justify my asking him once more, first of all without any further investigation to grant to these men the right of organizing their complaint committees. That is not too much to ask. These men are not criminals; they are not in penitentiaries. We are treating them as though they were, and this is not right. They should be given the right of protesting when they feel justified in doing so, and they should be permitted to organize in order to present their complaints in a proper fashion. Let them have an authorized and well known complaints committee in each camp; let them elect their men by popular ballot within the camp; let the chairman of the complaints committee be in touch with the local foreman or supervisor, and let him be recognized as spokesman for the men. If the minister will do these things, he will have much less trouble and the men themselves wlil be much better satisfied.

Mr. LAPOINTE: The conditions described by the hon. member for Bow River (Mr. Garland) are certainly appalling, and I sincerely hope the minister will give some satisfactory explanation and will repudiate the sentiments expressed in the letter from the commanding officer at Calgary. Those men, as my hon. friend says, are not criminals; they are working in the camps. They are on relief possibly through no fault of their own, and to say that they cannot give voice to complaints and expose their grievances is taking away from them the right which belongs to every Canadian citizen; they are not being treated like human beings. When they work in the relief camps they are not in penal institutions. I join my protest to that expressed by the hon. member for Bow River, and if the policy which is formulated by the commanding officer at Calgary is the one which prevails in all the other camps under the minister's department, I say that it is an insult to Canadian dignity and even to manhood.

Mr. STIRLING: The hon. member for Bow River started by referring to a resolution which was passed by the city council of Calgary on February 4 and which I believe was transmitted to Ottawa. On February 7, presumably by direction of the mayor or the city council of Calgary, the medical health officer for that city visited the camps referred to, and I propose to read to the committee the report which he submitted to his worship the mayor of the city of Calgary on February 8:

[Mr. E. J. Garland.]

Dear Sir,—As instructed by you, yesterday accompanied by Mr. Cowey of this department and representatives from the United Workers' Council of Delegates, I conducted a sanitary survey of the camps established by the dominion government, Department of National Defence, under project No. 155. These camps have been established, I take it, for the express purpose of clearing up undergrowth and thinning out trees in connection with activities of the forestry department. There are four camps: Seebe, Lusk Creek, Eau-Claire, and Barrier, and it is assumed that these camps will—at capacity—take care of 138 men in each camp. They are at the present time separate units, all under the supervision of Mr. Armstrong who officiates in the capacity of resident engineer. Visits were made to the four camps and I have the following to report:

The camps are situated on high, dry locations and I think the sites very well chosen, having regard to access of water and general satisfactory surroundings. They consist of huts in which the men are housed, kitchen and dining rooms, bath house, stores, blacksmith shop, garages, and administrative office. It would appear that in the Seebe camp the aim is to house twelve men in each hut. This, in so far as cubic capacity is concerned would be quite satisfactory but I might here suggest that possibly a much more satisfactory purpose would be served by limiting the capacity to ten men, having regard to the perforce location of the stove, tables and such like designed for the comfort of the men. It must be thoroughly understood that these camps were not organized until late in November, 1934, and consequently, structural matters have not yet reached completion. In the three other camps other than Seebe camp, there is up to the present time makeshift bath or wash houses. This condition, whilst resulting in some inconvenience is rapidly being remedied. The bath houses presently under construction (and which I was assured would be finished very shortly) are complete with shelves upon which are several wash basins and there are five showers. The shelves and the floor and walls of the showers are lined with galvanized iron and properly drained. Water is being laid on and from the layout I would say would be adequate. Pumps, storage tanks, heaters and necessary plumbing for the bath houses and kitchens are in process of completion and I think will result in a very nice situation. Washing machines are provided and adequate hot and cold water is to be supplied.

The kitchens and dining rooms were scrupulously clean; crockery ware is provided instead of enamel ware; dining tables are covered with white oilcloth and some of the kitchen tables are covered with galvanized iron. The quality of the cutlery is such that, in my mind, bids for a most attractive atmosphere. The party had the privilege of eating lunch at Seebe camp and indulged in the routine bill of fare. Personally I am all for it; the food was very nice, well cooked, ample and plain and sustaining withal. The kitchen equipment is practically all new; stoves, equipment and stores were perfectly clean. Kitchen waste is disposed of in gravel leaching pits; new pits are dug as required. The storage of meat is taken care of in usual camp manner by hanging from trees. Store houses and root cellars are being erected and ice is to be provided to care for perishable foodstuffs.

The stores are well stocked with clothing and the men are furnished with new clothing by submitting that which is worn out. The clothing is designed for comfort and service.

It is the intention to provide a recreation hut and canteen facilities. Construction of this is completed in Seebe camp. For a time it is thought that profits from the canteen will go to purchase a radio for each of the four camps.

The water supply is from the Kananaskis river or wells, depending on the location of the camp, and in the last or Barrier camp, from a spring emanating from Barrier mountain. It is understood that this spring has formed the bone of contention, but I cannot see where there is any ground for complaint in this respect. There is an abundance of water and it is hoped to intercept the spring at a higher level and bring the water to the camp by gravity. All water supplies are obviously of the pure type.

It was suggested that some difficulty had obtained in having adequate water supply for bathing purposes in the past. I cannot see that this complaint is justified, for each camp approximates an adequate supply of water and, in the event of anybody wanting to take a bath, it would be only a matter of a few minutes to obtain water for such a purpose.

The Barrier camp is not as near completion as the other three. It was established on 20th December, 1934, and, therefore is right in the midst of construction activities.

I was given to understand that all four camps are to be of the same type and with the same facilities and conveniences. There is an abundant supply of firewood; the men are not required to take care of their own huts, other men being detailed for this service. There are men on night duty to attend to fires and maintain heat in the huts whilst the rest of the men are sleeping.

Toilet facilities are adequate; they are of the privy pit type, of good construction and adequately supplied with toilet paper.

To conclude I feel that at the present time, and allowing for present conditions, these men live under as near ideal surroundings as could be created. I asked as to the work required of them and was assured by several of them—to quote their own words—"there is nothing to it."

Medical attention is provided by a physician from Exshaw who visits all the camps. There is also a first-aid man on duty at each camp.

Respectfully submitted,

W. H. Hill,
Medical Officer of Health.

Doctor Hill is the medical officer of the city of Calgary, and this is his opinion, as a medical man, of the condition under which these men live and work. With regard to the complaint so strongly expressed by my hon. friend from Bow River (Mr. Garland), I would repeat that all the arrangements, the work in the camps, the living conditions, and what they have to do if they desire to receive this shelter, food, sustenance and allowance, is laid down and explained to the men. It was arrived at by arrangement between the dominion government and the provincial government; in this case the Alberta government signed the agreement under which these regulations are accepted. If the men do not consider that they are conditions under which they desire to live, they can leave. We had the instance referred to a few evenings ago by the hon. member for Fraser Valley (Mr. Barber) of a fit, husky young man aged twenty-five, who had boasted that he had not done any work and had no intention of starting now. In these camps are men of every description. There are men who desire to conform to the arrangements laid down and who are working happily under them. I myself have visited many of the camps. We have had representations from all types of citizens from all parts of Canada giving their opinion of the conditions under which these men live and work; they are satisfied with them. But of course in a body of men of such numbers, and under conditions such as we are passing through in this country—yes, and in the world—there is bound to be a certain number of trouble makers, and it is to endeavour to handle the trouble makers that we safeguard ourselves by the regulations laid down.

Mr. GRAY: Does the minister then approve of the letter of Brigadier General Spry?

Mr. STIRLING: When we realize that agitators are coming into the camps for the purpose of stirring up trouble, the arrangements to deal with these agitators must be such as will properly handle them. To my mind it is a perfectly reasonable condition that the occupants of these camps should have every right to make their complaints to the foreman. If the man is not satisfied with the reply he receives from the foreman, it is perfectly proper that he should go to the superintendent. There is no doubt therefore that the complaints made by the individual reach headquarters and are there considered. But the regulations laid down have been arrived at by agreement between the dominion and the provinces, and the regulations must stand.

Mr. SANDERSON: Regarding the document read by the hon. member for Bow River, apparently under the signature of Brigadier General Spry, a departmental document, one that is posted up in the camp, does the minister take the responsibility for those orders? I assume that the order comes from headquarters at Ottawa. Am I right?

Mr. STIRLING: Will my hon. friend proceed to make his remarks? Then I shall reply.

Mr. SANDERSON: My question is a simple one. I do not want to make a speech, but I ask the minister if he assumes responsibility for that document.

Mr. STIRLING: Yes, Mr. Chairman, I accept responsibility for that document.

Mr. SANDERSON: Then does the minister approve of those regulations?

Mr. STIRLING: Obviously if I accept the document I approve of it.

Mr. GARLAND (Bow River): I am sorry the minister did not read the letter from the other delegate who also visited the camps. I am sure it was an oversight on his part. Let me, however, touch for a moment on his closing words. He referred to a young man, cited by the hon. member for Fraser Valley, a man twenty-five years of age, who, according to the statement, said he had never worked and never would work. A shame, of course. But does the minister overlook the fact that that boy was just past nineteen when this depression hit him and he could not get a job? After all when one has been out of a job four or five years in the formative period of life, when indelible impressions are made, is it any wonder that he has become embittered against society if it has nothing more to offer him than relief camps? I need make no excuse for him, but it is a wonder that there are not more like him. Let me say that the reason I asked the minister to permit the formation of recognized complaints committees, in touch with the foremen all the time, was to prevent the very danger he foresaw, that of agitators getting in and undermining the morale of these men who under present conditions have no proper outlet for their complaints. The minister says they may complain to the foreman. Let me give him a statement that I have from these people who have investigated the matter.

Mr. HANBURY: Who are they?

Mr. GARLAND (Bow River): I shall tell you in a moment.

The foreman stated that he only saw one man at a time with a complaint, and that man was invariably fired. The superintendent stated he never overrode a foreman's decision. We (the United Workers' Council Delegates, of Calgary), have handled hundreds of cases of men fired or quit, and as yet have not met with one who has had a chance to appeal to military district 13. Our delegations have appealed several times to military district 13 for these men to be reinstated, but on each occasion have been met with blank refusal and we have eventually got them accepted by the provincial relief commission.

So much for that statement, I now turn to the report of the other delegate. He received permission to visit the camp at the same time, and in company with Doctor Hill. Hon. members will note that Doctor Hill, according to the minister's statement, was to report on the sanitary conditions. I have raised no complaint, nor do these men raise any complaint about the sanitary conditions in the camp. They are complaining about the Prussian character of the discipline—the un-British type of discipline.

Mr. STITT (Selkirk): They want the right to complain.

Mr. GARLAND (Bow River): The second report is as follows:

Labour Temple,
229 Eleventh Ave. East,
Calgary, Alberta,
February 8, 1935.

A. Davison, Esquire,
Mayor, City of Calgary.

Your Worship:

Following up my visit to Seebe with Doctor Hill I beg to inform you that I found the following conditions:—

Notice how fair the man is, all the way through.

The general complaint was shortage of water, the supply at Seebe camp has to be hauled from the river. A pump and pipe line is being erected, so this difficulty should shortly be overcome; then there will be hot and cold showers available. There were plenty of wash basins of a very small shallow type for ablution purposes and a large galvanized tub for bathing and laundry purposes. A new washing machine was available and I was informed that this had been in the store since the camp opened in November last but only produced for use three or four days ago. The wash basins also had been issued late last week.

Upon entering camp men are supposed to get an adequate supply of clothing, some of the men stated they had been in camp three weeks or a month and had not yet received the requisite clothing.

The food was plentiful and of good quality; the dining rooms were excellently fitted up and comfortable; the wash houses in Lemusk, Eau-Clare and Barrier camps were just marquees and new huts are being erected to replace these. The water supply at the latter camp was just a spring at the foot of the mountain. A hole has been dug and boarded for storage of water but appears totally inadequate.

The authorities appear to be doing the best they can to make the men comfortable, but considerable time is needed yet. There is a first-aid man in charge of the hospital cabin in each camp and a full first-aid kit available. The doctor visits the camp twice a week and men have free access to see him.

The principal complaints were as follows:—
The camp foreman refuses to see more than one man on any grievance or complaint. If a man complains he is invariably fired. The superintendent stated that they would allow no

agitators or any organization of any kind. The foreman's word is final and the superintendent never overrides the foreman in a decision.

When fired the men have to hand in their clothing, except bare necessities. They are transported to the level crossing at Seebe and left to fend for themselves. Should transport be available they sometimes give the men a ride to Cochrane and on one occasion to Calgary. There is little or no recreation available and the men would welcome a radio, football, games of any description and particularly a supply of good books.

The pay is twenty cents per day when work has been done. Hours of labour are eight to twelve and one to four-thirty p.m. The foreman stated that a fair day's work was expected for what the men received, and no loafers would be tolerated. In my opinion the trouble has been caused through taking men out to the camps before proper facilities were available, and that the whole of the trouble could have been obliterated if the men had been allowed a proper grievance or camp committee.

Respectfully submitted on behalf of above council,

Fred Peat,
President.

The minister has not made an adequate answer at all. The only answer he has given is that he personally regrets this type of rigid, penitentiary discipline as necessary in our relief camps. I resent that attitude on the part of the minister. I repeat what I said before: these men are not criminals; they are fellow Canadians. They are men who through no fault of their own are out of work. They are ordinary flesh and blood men born in this country, for the most part, and they deserve to be treated as you would expect to be treated and as I would expect to be treated. They do not deserve to be treated in this way. I protest; that is all I can do.

Mr. ELLIOTT: When was the regulation made? As I understand it this is a departmental regulation, known as letter No. 4, sent from headquarters in Ottawa to all the relief camps in Canada. Am I correct in that? If so, when was it made and by whom?

Mr. STIRLING: I take it the hon. member is referring to the standing instructions issued for all relief camps.

Mr. ELLIOTT: Quite right.

Mr. STIRLING: Those are the instructions for the administration of unemployment relief camps. So far as the present instance is concerned, they were agreed to by Alberta and accepted as the basis of our joint operation. The dominion comes into the picture through its assistance to the province.

Mr. ELLIOTT: Surely the minister understands my point. The document states:

With regard to the method of registering complaints, the following are the regulations in this respect as laid down by the Department of National Defence for all camps in the dominion.

I am asking when that was laid down. It is not an arrangement between Alberta and the Department of National Defence; it is a set of regulations laid down by the Department of National Defence for all relief camps in the Dominion of Canada. I point out that it is not an agreement between the province and the camp; do not let us get off on that angle. Apparently it is prepared right here. By whom and when was it prepared?

Mr. STIRLING: I have not seen the document the hon. member is reading, but I presume—

Mr. SANDERSON: The minister has already assumed responsibility for it.

Mr. ELLIOTT: I would ask the minister to look at paragraph 4 of the document I have handed him, and he will see what I have read. These regulations have been made here, and they apply to all camps.

Mr. STIRLING: Yes. That which follows the bracketed letter (a) is one of the regulations laid down for the conduct of the unemployment relief camps.

Mr. ELLIOTT: How about the rest of it?

Mr. STIRLING: Then there follow (b), (c) and (d).

Mr. GRAY: All part of the regulations?

Mr. STIRLING: Yes, part of the regulations.

Mr. ELLIOTT: Beginning with paragraph 4, to which reference was made by the hon. member for Bow River, would the minister tell me when the regulations were put into effect, and how? By whom were they prepared and by whom were they recommended to council? Was an order in council passed, or what is the procedure by which the people in the camps are brought under that system of regulation?

Mr. STIRLING: The copy I have before me is from the Department of National Defence and is dated April, 1933.

Mr. MACKENZIE (Vancouver): Was there an order in council?

Mr. STIRLING: No, not that I am aware of.

Mr. ELLIOTT: Then under what power or authority was a regulation of that kind issued?

Mr. STIRLING: The power behind it, I take it, is the bill which was passed last

session, respecting relief measures. It was passed by this House of Commons in 1934.

Mr. ELLIOTT: Oh, it is part of the provision for peace, order and good government; is that right?

Mr. STIRLING: No; it comes under the relief measure to which I have referred.

Mr. ELLIOTT: That is just about what you would expect.

Mr. SPENCE: That is right, keep on talking.

Mr. ELLIOTT: I would suggest quite the reverse for my hon. friend.

Mr. MACKENZIE (Vancouver): Keep silent.

Mr. ELLIOTT: Could the minister state if it was brought before the council, or is it just issued under the act?

Mr. STIRLING: I could readily find out, but at the present time I am not aware whether or not it was.

Mr. ELLIOTT: Could the minister tell us who prepared it?

Mr. STIRLING: It was prepared in the Department of National Defence; I cannot name the individual.

Mr. ELLIOTT: There was one copy sent out to each of the different camps? By whom was it sent, and by whom was it signed?

Mr. STIRLING: A copy of the regulations goes to each project.

Mr. ELLIOTT: By whom were they signed?

Mr. STIRLING: They would go out as regulations, but would not be signed; they would be regulations of the department.

Mr. ELLIOTT: Did they go out from the Department of Labour or from the Department of National Defence?

Mr. STIRLING: National Defence.

Mr. GORDON: After consultation with the Department of Labour.

Mr. ELLIOTT: Could the minister produce the letter which was sent with them to the different camps? It is called letter No. 4, so it is likely a departmental letter.

Mr. STIRLING: I am afraid I have not got any such letter as the hon. member mentions.

Mr. MACKENZIE (Vancouver): Who would send them out in the normal course to the district officers commanding in the various provinces?

[Mr. Stirling.]

Mr. STIRLING: The officers of the Department of National Defence.

Mr. MACKENZIE (Vancouver): Which specific officer?

Mr. STIRLING: Under the administration it would be the adjutant general.

Mr. LAPOINTE: Then it becomes clear, Mr. Chairman, that this is the work of the Department of National Defence entirely, that instructions have been sent out by that department. They were not included in an order in council or anything of that sort. My hon. friend suggested at the opening of his remarks that this was part of an understanding with the province, but clearly he was mistaken in that view. This is merely a direction by the Department of National Defence and it is quite important that we should know it in a definite way. If these instructions as expressed in the letter of Brigadier Spry have been submitted to the province of Alberta, there should be a record of that submission, and the minister ought to be able to show that the province has accepted such regulations or instructions. Otherwise I do not think it is fair to say that the provincial government are responsible for instructions such as are conveyed in that letter. If they are not responsible, then it is wholly the work of the National Defence department, and I would implore my hon. friend the minister not to attach his own responsibility to those instructions, but to cancel them as quickly as he can.

Mr. HEAPS: On several occasions, if my memory serves me rightly, we were informed that there was no military discipline in these relief camps. In past sessions, if I am not mistaken, that information was given to this house.

Mr. McINTOSH: Seven times seven at least.

Mr. HEAPS: Now we are informed through documentary evidence to-night that there is a most rigid form of military discipline in these relief camps under the jurisdiction of the Department of National Defence. Personally I regret exceedingly that the minister has taken the stand that he has here to-night, and I think that on due reflection probably the minister himself will regret it; for if he upholds what is contained in the document that has been read here to-night it means that he is in favour of suppressing the very liberties of a great section of the younger generation in the Dominion of Canada. I think that the type of person who through no fault of his own is compelled to go into the relief camps ought to be dealt with a little more sympathetically than is evidently the case from the evidence

that has been submitted here to-night, and as many of us have known during the past few months. In many instances all the family connections of these young men have been broken up and the family separated much against their will; these young men are taken away from respectable homes, young boys of eighteen and nineteen, and compelled by economic necessity to become inmates of these camps. When a young boy goes into a relief camp the last thing he ought to be subjected to is that rigid military discipline which it has been disclosed in the communications read to-night exists in the camps.

I think it was a very unfortunate remark the minister made here to-night when he said that if these boys do not like it they can leave. In the first place it is economic necessity that has driven them into these camps, and then after the almost inhuman treatment they received at some of the camps they are told, if they do not like it, to get out. These boys, mostly young men, go into these camps not because they want to, but because there is no alternative for them. The government provide these camps for the young men, and mind you this is the younger generation of Canadians whom we expect to take our place in the future and help build up a country that is worth while. We have been told, of course, that in some respects they are well treated. I am not going to deny everything that the minister has said in so far as that communication is concerned, but the complaint is not about the sanitary conditions of these camps. The complaint is chiefly against the suppression of those liberties which had the minister himself been in opposition I think he would have been the first to champion if this complaint had been brought to his attention.

Mr. GORDON: What liberties does the hon. member suggest have been withdrawn?

Mr. HEAPS: I will read section (f) again:

No application nor complaint should ever be made to the civil power, except through the camp foreman or with his sanction.

In other words, an inmate of one of these camps is deprived of communicating with a newspaper; he is deprived of the right of complaining to the municipal authority, deprived of the right of going into the city and speaking of conditions as he has found them; he is deprived of the right of communicating even with a member of parliament.

Mr. BEAUBIEN: Or even with his mother.

Mr. HEAPS: Possibly that is so as well. What I am complaining about is this. We are putting in these camps the younger generation of Canadians and we might reasonably hope that they would receive their good training in Canadian citizenship, but when they get to the camps they find an iron clad rigid military discipline which hardly allows them to call their souls their own, and they have to submit to this for twenty cents a day and their keep. Leaving aside for the moment the amount of money they receive for the services they render, what we are stressing at the moment is the rights and liberties of the individual of which these young men are now being deprived. I would urge upon the minister that in these matters of unemployment and unemployment relief the military authorities should not be allowed to be supreme over the civil authorities or in any way to deprive these young men of their liberties. If I were in the position of the minister and for the first time a document such as the hon. member for Bow River has read to the house to-night was brought to my attention, I would at once repudiate the document entirely, and not only would I repudiate it, but I would fire clean out of the service the men who are responsible for such a thing. The individual possesses certain rights, and when those who are responsible to the civil authorities send out such a document they must know that it is going to create a feeling of hostility. Apparently they feel that in some way they are superior even to this parliament. No document of that type could stand the scrutiny of any body of honest citizens. For the sake of parliament, for the sake of the minister and for the sake of the young men who are compelled to go to these camps, I think something should be done right now in this house to repudiate entirely the document. The men in these camps should be given a fair chance in life.

Mr. SUTHERLAND I think I should say a few words on this question, as this system of camps was inaugurated while I was head of the Department of National Defence. The minister has sketched the beginning of the movement and indicated why these camps were started. Back in 1931 and 1932 there were a large number of younger citizens who were moving around from one place to another and in many instances were getting into cities which were not their homes. There was considerable difficulty in looking after these young men and in time it became an acute problem. During the summer they were moving around on the trains and there were many accidents. I am told that practically all the hospitals in northern Ontario had some of these young men as patients. This scheme was evolved to give them some

place to go. The camps were not started with the primary idea of giving employment for wages; they were started as a temporary measure to provide comfortable surroundings, clothing and food. The allowance of twenty cents per day which was given was in no sense a wage; it was only a little extra pocket money to buy some of the things which were not issued.

As I say, this scheme was started in 1932 and it went very well for a couple of years and in most of the camps everything is going very well to-day. The former Minister of Justice (Mr. Lapointe), who spoke on this matter, is familiar, I think, with the situation in his own city and in the camp at Valcartier. To my knowledge there have never been any complaints of this type in connection with that camp. Everything goes along smoothly, and while I was in the department I received many expressions of appreciation from the people down there as to the way in which the department was looking after this great problem. The young men at Valcartier come from a large area in Quebec. There is a large camp at Halifax, at the citadel. This camp has been in operation for about three years and nothing of this kind has occurred. There is a large camp at Petawawa, Ontario, at which there are young men mostly from Montreal. There are two camps at Kingston and other camps in northern Ontario. No complaints of the kind referred to to-night have been heard from the Ontario camps. The hon. member for North Winnipeg (Mr. Heaps) referred to inhuman treatment, but I do not think that term can be applied to these camps. I do not think there has been anything even approaching inhumanity.

These camps are different from the ordinary labour camps. The men in the ordinary labour camp are hired for some certain purpose and the aim and object of the employer is to get work out of his men. The employees quite rightly and properly ask the right to organize in order that they may present their side of any difference which may arise. In these camps everybody is working with the same end in view. The Department of National Defence has started these camps with the sole object of helping these men. There are not two sides of opinion in the camps. Naturally the men want the best they can get, and when parliament passed the money to provide for such camps, that was the sole object in view. While I was in the department we had trouble at only one camp, the one located at Long Branch near Toronto. This trouble was caused by agitators getting into the camp and trying to create an organization where one was not necessary. There was some difficulty for a short time, but I maintain that there has been nothing out of the way in any camp, and especially nothing of the nature referred to to-night.

A committee inspected these particular camps and they admit that the food and surroundings are good. Some complaint was made about the water at one camp, but as I understand it the camp was in process of construction. I think it was said that measures were being taken to deal with the matter. The clothing furnished was the same type of clothing as we all wear, substantial and warm. The food bought for the camps is just as good as we get in the parliamentary restaurant, although it may not be served up with as many frills. The fact that good substantial food is furnished has been borne out by the statements made to-night. I do not think the department can be criticized, because it is only in this particular case that I have heard of any complaint of this kind. I have heard one of the hon. members for Vancouver bring up matters in connection with the camps in British Columbia, but I think it must be admitted that when you have a number of young men in a camp they are bound to be full of life and vim and will have opinions of their own. This will happen no matter how the camps are run. If the men are warm, if the clothing provided is good and the food substantial, I do not think there can be anything to complain of. The camps are not permanent; it is not as though the men were going to be there for some time and had to build up some system of rights. Instead of having this odium cast upon the department and its officials, I think they are entitled to a great deal of praise for the manner in which they have handled the matter. No one knows better than I do the difficulty and anxiety in connection with this work. I presume that there are over 20,000 men in the camps in the winter and some 12,000 in the summer.

Mr. ELLIOTT: I do not think that this committee is concerned about the food or clothing or water; that is not the complaint. Of course, when camps are being laid out there is always a little difficulty at the start so far as the water supply is concerned, but that is not the difficulty here. Perhaps my hon. friend would answer this question. Does he know who made these regulations, who issued them, when they were issued and whether or not all the relief camps in Canada are subject to them? If I remember rightly, the document which my hon. friend was good enough to let me look at says:

"The following are regulations as laid down by the Department of National Defence for all camps in the dominion." The question that interests me, and I believe it interests a great many members of the committee, is this: When were these regulations made, by whom and on what authority, and did the minister know about them?

Mr. SUTHERLAND: My hon. friend has been in charge of a department and he knows that if something is done in the department the minister takes responsibility for it; that is his job and he does not fall back upon someone under him and blame that subordinate. While I was in the department I took responsibility for everything that went on there; that was part of my job, and if it was wrong I took responsibility for it. I did not look for someone to put the blame on, and I am sure that my hon. friend knows very well that there have to be regulations in connection with a vast scheme of this kind, where young men are constantly coming into and going out of camps. You must have regulations.

Mr. ELLIOTT: How long have these regulations been in force?

Mr. SUTHERLAND: They were in force before a single man was ever in the camps. There had to be preliminary regulations, though I have no doubt at all that from time to time they have been amended and added to as necessity arose.

Mr. ELLIOTT: I want to get it clearly because I want to be absolutely fair to the minister and the ex-minister. Do I take it that these regulations were issued before the camps were laid out, before any difficulties arose, and were sent out to the various camps by the department as being what they considered proper regulations approved by the minister in charge?

Mr. SUTHERLAND: Undoubtedly the regulations would be sent out before the camps were started at all. I am not prepared to say that these precise regulations were sent out from the first, because they would have to be amended from time to time. I am absolutely of the opinion, in spite of what some hon. gentlemen have said, that there is nothing wrong with regulations of that kind. You could not start a camp of that kind and allow an agitator to go in among these young men whose minds are not fully developed and who can be the prey to some agitator in regard to anything—the water, for instance. Some man might have been dismissed for perfectly good reasons and he would be made a martyr of, and these young men would be gathered together and addressed by some agitator and so trouble would start. To guard against such a possibility some regulations must be put into force. These regulations are merely intended to be helpful; they are not meant to be absolutely lived up to as would a military order in time of war; there is nothing of that kind. But there is in connection with these camps necessity for planning ahead as far as that is possible.

Mr. ELLIOTT: Time is passing and I should like to get into my head exactly what happened with regard to these regulations. The minister makes it clear now that he approves of them.

Mr. SUTHERLAND: I say I accept responsibility for them.

Mr. ELLIOTT: The minister said he approved of them; he saw nothing wrong about them. I want to know whether he approved of them before they were sent out.

Mr. SUTHERLAND: I do not recall that all were brought to me. Some of them I remember were brought to me and I might mention one in particular. The former Minister of Labour, Mr. Heenan, brought up the question regarding the making of speeches in the camps, and he cited a regulation which forbade people going into camps to make speeches. I looked into the matter and found that there was such a regulation and I changed it, and on the floor of the house I informed him that it had been changed. I had heard of that regulation and thought that it would probably be better to have it changed.

Mr. ELLIOTT: Would anyone else than the minister in charge of that department have authority to send out to all relief camps in Canada such regulations? Would anyone else have authority to send out such regulations without consulting the minister and having his approval?

Mr. SUTHERLAND: Whatever was done the minister is responsible for; the hon. gentleman knows very well that it is so. You cannot trace back to find out what an office boy in the department might have done; it is the minister you have to deal with.

Mr. GARLAND (Bow River): This was not an office boy.

Mr. MacINNIS: Is Brigadier General Spry an office boy?

Mr. SUTHERLAND: I am citing an instance; I am not dealing with that particular case. The ex-Minister of Public Works (Mr. Elliott) wants to trace back somewhere in the

department to the man who wrote a particular letter, and I hold that that is not necessary at all, because there are responsible ministers in charge of departments, and it is their business to be responsible for everything that goes on in the department. I accept responsibility for anything done while I was there.

Mr. ELLIOTT: I think it is only fair to the committee to make it clear that Brigadier General Spry is not responsible for the regulations. As I understand it, he is the officer commanding the district, and he merely states, "I am sending you regulations that have been forwarded to me." There is no responsibility resting on him, so far as I can see. I do not at all agree with the ex-Minister of National Defence, that he is responsible for what someone under him did without his authority and if he did not know about it. If someone without his authority sent out something that he knew nothing about and did not approve, that is a different matter altogether, and he knows that perfectly well. But he now approves of it, and I take it that he approved of it before it went out. But I want him to be frank with the committee.

Mr. SUTHERLAND: I cannot understand exactly what the hon. member does want. In this particular case he evidently wants to find somebody that wrote a letter and to blame him. In most cases—and I have very often heard of this being done—he would only be looking for an opporunity to blame the minister for what happened in his department. That is the general rule. A minister, if something goes wrong in his department, is undoubtedly to blame. I want to go further than this and to say that I cannot see anything particularly out of the way in having among the regulations one of that kind, because it is impossible to run such a camp if you have some organization meeting there and saying: We will go up and complain about something to-day and about something else to-morrow and so on. That would be an impossible situation and make the whole camp and system a prey to agitators. I appeal to the good sense of the committee that the only proper method on which to run such a camp is to impose regulations of that kind. The proof of what I say is that all through eastern Canada and west as far as Calgary the same system has been in force without any trouble arising. It is not only the Department of National Defence that has had these camps run in the same general way, but the Department of the Interior has had similar camps. I must be frank; I do not want to say that the same regulations are in force there because I do not know, but the same rate of wages and the same general system of supplies have been in force. I cannot see that there is anything out of the way in what has been the subject of discussion to-night.

Mr. ELLIOTT: I want to say just a word in answer to the minister. While I have and I believe the house generally has the greatest respect for both the ex-Minister of National Defence and the present minister, I was surprised to hear first of all the present minister defending these regulations and I am surprised to hear the ex-minister continuing to defend them. After hearing them read, and I heard them to-night for the first time, while I believe we must have discipline in our relief camps as well as in other places—

Mr. SUTHERLAND: The hon. gentleman does not know the situation or the background involved; I do not think he has a very clear idea of the situation.

Mr. ELLIOTT: One does not need to know the situation to realize that regulations such as have been read here to-night and are contained in that document are surely not proper, decent regulations to send out to govern the conduct of men in these relief camps. That is my very strong impression, and I believe it is the impression of every member of this committee. My knowledge of relief camps is not very extensive, but I know something about them, and while I understand there must be discipline, I believe the men should have a right to submit a grievance, if they have one, to some authority and not be gagged.

Mr. SUTHERLAND: They are not gagged; they have a right to submit their complaints.

Mr. ELLIOTT: I should like to know, if I may, just when these regulations were issued. I should like to see the first order that was sent out instructing that regulations of this kind should be sent out to all the camps. I suggest to the present minister, the ex-minister and all other ministers that these regulations should be revised to the extent of cutting out completely the clauses that sound to me so very objectionable, starting at number four in the document that we heard read to-night.

Mr. STITT (Nelson): If the lawyers have finished examining the minister and the ex-minister, I am just wondering whether it will be in order for a merely practical man to make some suggestions. I have had a good deal to do with camps both military and otherwise, such as mining, lumbering and all

kinds of camps, and I have visited several of those so-called relief camps. We hear a great deal about this twenty cents a day, and I do not think some hon. gentlemen are treating this matter as fairly as they might. I understand that it costs about $34 a month to take care of each man in the camps, and I think the sum involved should be referred to as $34 a month and not twenty cents a day. The department should keep that fact before those men, and if they were to do so there would be less misunderstanding and less trouble.

I can quite understand that regulations are necessary. I have lived under the king's regulations and orders, and having served in both the Canadian and the British army, I have suffered through those regulations as have many more. But it just occurs to me in regard to this matter of complaints, that nobody can deny a man the right to make a complaint if he finds that something is wrong. After all we are Canadians. I would suggest to the minister that I do not think it is up to the men to run around looking for a foreman to whom to make complaints. When I was in the army my turn sometimes came to be orderly officer and I had to go through the dining room and other rooms where the men were and ask them if they had any complaints. If they had found sand in the sugar or stones in the beans or a piece of hoof in Flavelle's corned beef, of course they would tell me. I think if a little diplomacy were exercised and the foreman would walk through the camp at meal hours and say: "Well, boys, any complaints?" and show he is human and working with them, a great deal of this trouble would be avoided. I have a relief camp in my constituency; it is not under the Department of National Defence; it is a federal-provincial camp. I know the foremen there and they never have any trouble with their men because they are human and the impression they create with the men is that of working with, not against them. A little humanity, a little common horse sense, is all that is needed.

We are told that these are not military camps, but all I can say is that from the regulations read it would appear that they are. If they are to be run as military camps, they should be made so in every sense of the word. But I would suggest that the fact be kept before these men and the country generally that they are working for $34 a month and not for twenty cents a day. The government I understand are bringing in a minimum wage bill, and I hope when they do introduce it they will apply it first to their own camps, because I am not very proud of this wage of even $34 a month. We should pay the men a fair wage and demand a fair day's work.

Mr. HANSON (York-Sunbury): Then they would be out of work.

Mr. STITT (Nelson): No, these men are human and if they are paid a fair wage they will probably do a fair day's work. I hope the time is not very far distant when this happy condition can be brought about and a few of the suggestions I have made in all sincerity will be passed on to the men in charge of the camps.

Mr. GERSHAW: Before the discussion started on this phase of the problem, I desired to ask the minister a question on a different aspect of the matter. The discussion has rather thrown a new light on it. From the larger cities one can understand how it is quite easy for these single unemployed homeless men to get into the camps, but it is a problem in the smaller cities and towns. A large number of young men drift around from place to place looking for work; either they cannot find it or the work does not last long and they are again on the streets. They go from door to door begging for meals and help and thus become a burden to the citizens and to the municipalities; for of course they must be fed. Then in connection with the trains, especially on the main lines, these boys are going back and forth all the time at great danger to themselves and great annoyance to the train crews. The whole situation is very unfortunate. My question is: when the cold weather comes and they cannot travel, how can men who find themselves stranded in the smaller cities or towns get into these unemployment camps?

Mr. STIRLING: By presenting themselves at the camp.

Mr. GERSHAW: But they are long distances from the camps. They are a burden on the municipality where they happen to be and it is imposible for them to get to a camp.

Mr. STIRLING: My hon. friend surely realizes that this is a duty which is incumbent on the provinces. First of all the province receives the information, presumably through the municipality concerned. When the province cannot handle the matter it comes to the dominion government and asks its assistance. Then by agreement under certain methods laid down the dominion government comes in and helps. But it does

not remove from the provinces the responsibility of caring for these people.

Some hon. MEMBERS: Carried.

Mr. MacINNIS: The unemployed need something more than grunts from the opposite side of the house; a little help would be in order. The minister has stressed, and it has often been stressed here, that these men can take their complaints to the foremen. I find in these regulations the following:

(b) If any man has a complaint or accusation to bring against a member of the supervisory or administrative staff, such complaint should be laid before the camp foreman, who, if necessary, will transmit it to district headquarters or camp superintendent.

As a matter of fact the attitude towards these men is exhibited in these regulations. They have no rights in the matter. They are in the camp because there seems to be no other place to put them. Along with the hon. members for Vancouver Centre (Mr. Mackenzie) and Vancouver North (Mr. Munn) I had an opportunity before coming here of meeting some of these men. They made complaints to us that have been substantiated by the statement of the hon. member for Bow River (Mr. Garland) to-night. Not only did the men make the statement on that occasion, but I had occasion myself to intercede with the authorities in Vancouver to reinstate some of them. The moment a man makes a complaint to the foreman the foreman fires him. He is out on the road before the day is finished.

Mr. SUTHERLAND: I do not think the hon. member can back up that statement.

Mr. GARLAND (Bow River): My answer to the minister is that I had already read out of the records to-night before he came in—

Mr. SUTHERLAND: That is one case, an allegation by someone in Calgary.

Mr. GARLAND (Bow River): It was from someone who investigated the complaints, involving some thirty men.

Mr. SUTHERLAND: But the hon. gentleman states that it is the usual thing that if anyone complains out he goes, which is not so.

Mr. MacINNIS: That was the statement made before us. The man was anxious to have his statement investigated as to whether or not it was true, and no investigation has yet been held.

Mr. MACKENZIE (Vancouver): Hear, hear. He asked for one.

Mr. MacINNIS: Further on the instructions say:

Camp foremen are advised to invariably have another member of the supervisory staff present as a witness to all proceedings.

Yet while the foreman is advised invariably to have another person present, the man making the complaint is not allowed to have anyone present who may substantiate his statement.

Mr. STIRLING: Can my hon. friend substantiate that statement?

Mr. MacINNIS: It is here in the regulations. Let me read the regulations signed by D. W. B. Spry, D.O.C. military district 13:

(e) It is the duty of the camp foreman to investigate all complaints and, when receiving complaints for transmission to superior authority, to point out to the parties concerned any irregularity in the means they employ in seeking redress. In hearing complaints or statements, et cetera, camp foremen are advised to invariably have another member of the supervisory staff present as a witness to all proceedings.

Mr. STIRLING: If I may interrupt, I understood the hon. member to say that the man making the complaint might not have anyone with him. That is the statement I asked him to substantiate.

Mr. MacINNIS: I shall do that. Regulations (a) and (b) read:

(a) One of the fundamental and most necessary rules for the administration of unemployment relief camps is to forbid anything bearing the appearance of combination to obtain redress of alleged grievances. Appeals for redress by means of any document bearing the signature of more than one complainant, or by organized committees combining to make a complaint, are strictly forbidden.

(b) If any man has a complaint or accusation to bring against a member of the supervisory or administrative staff, such complaint should be laid before the camp foreman, who, if necessary, will transmit it to district headquarters or camp superintendent.

Mr. STIRLING: But it does not say that no friend may be with him.

Mr. MacINNIS: But if there is more than one it is a combination.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: That is what it says, and it means it. Further on it says:

(c) If the camp foreman neglects or refuses to attend to a complaint, the complainant may bring the matter to the notice of the district headquarters or camp superintendent.

How is the man to know—

Mr. GOTT: Mr. Chairman, I call to your attention the fact that it is now eleven o'clock.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, March 25, 1935

The house met at three o'clock.

PERFORMING RIGHT SOCIETY

APPOINTMENT OF COMMISSIONER TO INQUIRE INTO LICENSING

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, I wish to lay on the table copy of an order in council dated March 22, 1935, P.C. 738. This order appoints His Honour Judge James Parker, senior judge of the county court of York, in the province of Ontario, as commissioner under part 1 of the Inquiries Act, pursuant to the provisions of section 10 of the Copyright Amendment Act, to investigate and report:

(a) Whether the Canadian Performing Right Society Limited or any other society, association or company unduly withholds the issue or grant of licences for or in respect of the performance of dramatico-musical or musical works in Canada;

(b) Whether the Canadian Performing Right Society Limited or any other society, association or company proposes to collect excessive fees, charges or royalties in compensation for the issue or grant of such licences;

(c) Whether the Canadian Performing Right Society Limited or any other society, association or company otherwise conducts its operations in Canada in a manner which is deemed detrimental to the interests of the public.

The commissioner is also specially authorized and required to investigate and report on the fees, charges or royalties which the Canadian Performing Right Society Limited, or any such other society, association or company, should be entitled to collect from licensees in compensation for the issue or grant of such licences, and the bases on which such fees, charges or royalties should properly be computed.

This order in council has been passed in compliance with the request of a large number of members on both sides of the house who have insisted that there should be an inquiry into the operations of the Canadian Performing Right Society and its associates.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BANK OF CANADA

Mr. MACKENZIE (Vancouver):

1. What amount of gold was taken over by the Bank of Canada from each chartered bank separately?

2. What was the value of the gold taken from each bank separately?

3. What was the amount of bank gold left with each chartered bank separately?

4. What was the value of such gold left with each chartered bank separately?

Mr. RHODES: Mr. Chairman, this question cannot accurately be answered in its present form because in putting it my hon. friend apparently has assumed that it was competent for the banks to retain a portion of their gold, whereas if he will look at section 28 of the Bank of Canada Act he will find that the banks have to transfer the whole of their gold.

There is the further question as to that portion which should be allocated as against their foreign liabilities, and that question cannot properly be answered until the governor in council has taken action with respect to the valuation and allocation of profits.

If it meets with my hon. friend's approval I would suggest that he drop the question and put it in a revised form.

Mr. MACKENZIE (Vancouver): I am quite willing, Mr. Speaker, to do what the Minister of Finance suggests. I had intended on the orders of the day, as a matter of privilege to refer to the replies that I received the other day with respect to the Bank of Canada. The minister may recall that on March 14 I asked what was the total amount of gold transferred from all the chartered banks, and this question to-day refers to the amount of gold taken from each of the chartered banks separately.

With respect to the former question I was only referring to section 28 of the statute. I

am very well aware of the provisions of section 28 and I was simply wanting the assurance that the provisions of that section had been complied with. My question of March 14 has not yet been answered. The government has not yet informed me what was the total amount of gold that was taken over from the chartered banks, in compliance with the provisions of section 28 of the statute and transferred to the Bank of Canada when it commenced its operations. I shall be very glad to comply with the suggestion of the minister but may I repeat that I am very well acquainted with the provisions of section 28.

Mr. SPEAKER: Question dropped.

CLOVER SEED IMPORTATIONS

Mr. GOULET:

1. What was the quantity, in pounds, of (a) Red clover; (b) of Alsike clover seed imported into Canada from September 1, 1934, to March 1, 1935?

2. From what countries were said seed imported and what was the quantity from each country?

3. What duty was paid on said importations?

4. What were the names and addresses of the importers?

5. What were the different qualities of seed imported, and amount of each?

Mr. CAHAN: 1, 2 and 3. Imports by countries of Red clover seed and Alsike clover seed entered for consumption in Canada with import duties collected, September 1st, 1934, to February 28th, 1935:

(a) Red clover seed	Pounds
United Kingdom	423,064
United States	15,000
New Zealand	22,400
Total	460,464
Import duty collected	$450 00
(b) Alsike clover seed	Pounds
United States	439,146
Import duty collected	$13,174 38

4. It is contrary to the established practice of the Department of National Revenue to give information which would disclose the business of an individual or corporation.

5. The Department of National Revenue has no record of different qualities of seed imported.

HIGH COMMISSIONER FOR CANADA

Mr. POULIOT:

1. Referring to the answer of the right hon. acting Prime Minister to a question about the powers of the High Commissioner for Canada in London (Hansard, March 6, 1935, page 1582), what administrative steps were taken in 1931 to insure more effective execution of order in council P.C. 330?

2. At whose request and why were they taken?

3. Was the matter decided by order in council?

4. If so, on what date and what is the number of said order in council?

Sir GEORGE PERLEY:

1. Instructions were given by the ministers of the departments concerned to their officers in London to bring them more effectively under the supervision of the high commissioner.

2. These measures were taken, following discussion with the high commissioner, in order to increase the effectiveness of the administration of Canadian affairs in the United Kingdom.

3. No.

4. Answered by No. 3.

STEVEDORING AT CHURCHILL

Mr. DONNELLY:

1. Who has the contract for stevedoring grain at port Churchill?

2. If a company where and when was it organized, and who compose it?

3. What charge is levied for stevedoring grain at port Churchill, and how many men are employed in connection with this work?

Mr. MANION:

1. The department has had nothing to do with stevedoring contracts at Churchill. It is a private contract between boat owners and Louis Wolfe & Son, Limited, of Montreal, Vancouver, and Saint John, N.B.

2. No information.

3. The department is advised that charge is $4.00 per 1,000 bushels, and 9 cents per sack for trimming; the whole less 10 per cent. The number of men varies with the number of boats to be loaded, and fluctuated, in 1934, from 20 to 100.

NEW RICHMOND, QUE., WHARF

Mr. MARCIL:

How much has been expended by the Department of Public Works on the departmental wharf at New Richmond, Quebec, including the original cost of construction up to date?

Mr. STEWART (Leeds): $36,279.22, expended from 1904 to 1930. No expenditure has been made since 1930, as this wharf, due

to the shallowness of water at its outer end, does not provide accommodation for the present class of shipping requiring wharf accommodation in this district, and the estimated cost of the dredging to make this wharf available to coastal steamers is $170,000.

TAX FREE BONDS

Mr. MACKENZIE (Vancouver):

1. What is the total amount of tax free bonds now outstanding in the dominion?
2. At what dates do these issues respectively mature?

Mr. RHODES: 1 and 2.

Due August 1, 1935. .. .. ..$	874,000
Due March 1, 1937..	89,787,100
Due December 1, 1937.	236,299,800
	$326,960,900

FRENCH TRANSLATION OF SENATE DEBATES

Mr. RAYMOND:

1. Who was in charge of French translation of the Senate debates for each session during the last four years?
2. What was the cost of French translation of the Senate debates for each session during the last four years?
3. To what person or persons was that amount paid, for each of the aforesaid sessions, and under whose recommendation or certificate was each individual payment made?

Mr. CAHAN: The Department of the Secretary of State applied to the clerk of the Senate for the information required by this question and received in reply a communication stating that a question relating to the internal affairs of the Senate could be answered only on receipt of a message from this house. I suggest therefore that the hon. member drop the question.

Question dropped.

SUPREME COURT OF CANADA VACANCIES

Mr. MULOCK:

1. Is it correct that due to a vacancy and the absence through illness of several judges of the Supreme Court of Canada, a number of Ontario appeals entered for hearing at the regular February session of the Supreme Court of Canada will not be heard until the later session of the court?
2. If so, what date will the said session commence?
3. If so, having in mind the inconvenience and expense which such delay will involve for litigants, will the government fill the existing vacancy in the Supreme Court of Canada and arrange with the Chief Justice of Canada for the appointment of the necessary judge or judges ad hoc to permit of the hearings during the present session of the court of the appeal cases remaining on the current list?

Mr. GUTHRIE:

1. Owing to the indisposition of two judges of the court, nine appeals which were inscribed on the Ontario list for hearing at the session of the court which began on February 5 last, were adjourned to the April session, to be placed at the head of the Ontario list for that session.
2. April 23, 1935.
3. Answered by No. 1. It is anticipated that the cases remaining on the current list will be disposed of before the April session.

CANADIAN NATIONAL RAILWAYS—PURCHASE OF RAILWAY TIES

Mr. FAFARD:

1. Did Mr. Elzéar Côté, sell either directly or through the firm of Anselme Côté and Sons, any railway ties to the Canadian National Railways?
2. If so, what kind, at what price, what quantities, and what was the total amount of the sales during the years 1930, 1931, 1932, 1933, 1934, and 1935?

Mr. MANION: I must inform the hon. gentleman who asks this question that similar questions have been received in the past but the railway company has always refused to give the answer. If the hon. gentleman will suggest to an hon. member who is a member of the railway committee to ask for this information I shall endeavour to have it at that time.

Question dropped.

FARMERS' CREDITORS ARRANGEMENT ACT—OFFICIAL RECEIVERS

Mr. ROBERGE:

1. Has Mr. J. Albert Bouchard, of Ste-Claire, Dorchester county, been appointed official receiver for the province of Quebec in connection with the administration of the Farmers' Creditors Arrangement Act?
2. If so, what salary does he receive?
3. What is the nature of his duties?
4. What is his age?
5. What was his business experience??
6. What was his legal experience?

Mr. RHODES:

1. Yes.
2. $150 per month.
3. To act as official receiver as provided in the Farmers' Creditors Arrangement Act, with duties as set out therein and set out in the rules and regulations passed pursuant thereto.
4. The government has no information.

5 and 6. His occupation is that of a merchant.

1. Has Mr. Alzire Tardif been appointed official receiver in connection with the administration of the Farmers' Creditors Arrangement Act?

2. If so, what is the extent of his jurisdiction and the nature of his duties?
3. What salary does he receive?
4. What is his age?
5. What was his business experience?
6. What was his legal experience?

Mr. RHODES:

1. Yes.

2. Appointed for the judicial district of Beauce. To act as official receiver as provided in the Farmers' Creditors Arrangement Act, with duties as set out therein and set out in the rules and regulations passed pursuant thereto.

3. $150 per month.

4. The government has no information.

5 and 6. His occupation is that of notary public.

COLONIZATION CONGRESS

Mr. BARIBEAU:

1. Did the hon. Minister of Colonization for the province of Quebec, Mr. Irénée Vautrin, invite the federal government to send representatives to the colonization congress?
2. If so, who were the representatives of the federal government?

Mr. GORDON:

1. Yes.
2. Mr. W. M. Jones.

PURCHASE OF LETTER BOXES

Mr. LAFLECHE:

1. How many letter boxes were purchased from Arthur Lesieur, in what year, and at what price?
2. If such boxes were recommended, was such recommendation contained in a verbal or written report, and what was the nature and conclusion of such report?
3. Were such boxes inspected by a competent official upon each delivery of same?
4. How many boxes of a similar type were purchased: (a) since 1931; (b) from 1925 to 1930, and at what price?
5. At what price are such boxes sold to individuals and since when have such sales been effected?

Mr. SAUVE:

1. There were no letter boxes purchased from Arthur Lesieur but rural mail boxes were purchased from Amédée Lesieur, as follows:

December 23, 1931—10,000 rural mail boxes as per standard sample submitted and accepted at a price of $2.75 each, plus 6 per cent sales tax.

2. Recommended by mechanical engineer, post office department, by a written report as follows:

"Re—Rural mail box—circular model with full opening—swivel type—illustrated by accompanying photograhs I am instructed by the deputy postmaster general to report to you on the above subject.

[Mr. Rhodes.]

Dimensions, 23 inches by 10½ inches, Metal gauge, body 24—door 22.

Design of door admits of the use of full clearance of box and is unique in this respect.

Door is of the gravity type—no springs.

Mounting is rugged in design and economical in material and is extended completely around the box adding considerably to its strength.

The cost of the present box in use is $2.80 each in large quantities with freight allowances to destination and I understand the price of the box in question is under this amount. Altogether the proposed box is superior in both appearance and utility and by reason of its design is much more convenient to operate and maintain."

3. Boxes were examined by mechanical engineer, Montreal post office, and each box was stamped on inside of cover "Passed Official inspection 1932."

4. (a) Nil
(b) 40,000—June 8, 1927
10,228—January 26, 1928

$2.80 each, plus sales tax not to exceed 10 cents per box, f.o.b., Ottawa, Montreal, Toronto, London, Moncton.

5. $4 each, which has been the standard price for many years.

Since June, 1932, sales have been made to patrons in the following postal districts, and no complaints received as to quality:

Montreal, Quebec, Nova Scotia, New Brunswick, Prince Edward Island.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SQUARE TIMBER SUPPLIED TO RIMOUSKI DISTRICT

Mr. FAFARD:

1. What quantities of square timber were supplied to the Department of Public Works, Rimouski district, by Mr. Elzéar Côté himself or on behalf of his firm, Anselme Côté and Sons, during the years 1930, 1931, 1932, 1933, 1934, and 1935?

2. At what price per foot was the timber purchased, what was the total amount purchased during each of the said years?

3. What quantities of lumber were purchased from the same firm, at what price per thousand feet, and what was the total amount purchased during each of the above years?

4. What merchandise and other goods, including hardware, gasoline, oil, etc., were purchased from Elzéar Côté himself or from his firm, Anselme Côté and Sons, by the Department of Public Works, Rimouski district, at what price, and what was the total amount paid in this connection during the last five years?

FARMER'S CREDITORS ARRANGEMENT ACT.—OFFICIAL RECEIVERS

Mr. ROBERGE:

1. What are the names, professions, addresses and jurisdiction of official receivers appointed in connection with the administration of the Farmers' Creditors Arrangement Act, in the province of Quebec?
2. What was each such appointee's business experience?
3. What was each such appointee's legal experience?

Mr. RHODES: Return tabled herewith.

PROMOTION OF CIVIL SERVANTS

Mr. DORION:

1. What civil servants, permanently or temporarily employed, in the various departments, were promoted, by way of reclassification or otherwise, since the passing of the order in council of June 14, 1932 (No. 44-1367)?
2. What salary increases did such promoted persons receive?
3. On what date was each such person promoted?

MOTIONS FOR PAPERS

BANK OF CANADA —OFFICERS, EMPLOYERS, AND BRANCHES

Mr. MACKENZIE (Vancouver Centre):

For a return showing,—
1. The centres where branches of the Bank of Canada have been opened.
2. The names of all employees of such bank in such centres with total salaries in each case.
3. The names of all officers and employees of such bank at headquarters in Ottawa, with total salaries in each case.

Mr. RHODES: Mr. Speaker, there is no objection to this motion passing with the reservation that the government can furnish only the information which happens to be in its possession. We can submit a list of those who were transferred from the currency branch and from the office of the assistant receiver general, together with their salaries, but we have no information as to other employees of the bank or the salaries they are paid.

Mr. MACKENZIE (Vancouver) Mr. Speaker, on a question of personal privilege, I submit again that the privilege of every hon. member is involved in the reply just made by the Minister of Finance (Mr. Rhodes). I had intended to refer to a statement made last year by the Prime Minister (Mr. Bennett) when the house was debating the Bank of Canada bill. My colleague, the hon. member for Shelburne-Yarmouth (Mr. Ralston) moved at that time in the banking and commerce committee that the deputy minister of finance be made a member of the executive committee of the bank and he was told that this was sufficient to assure this house that at all times it would receive full information with regard to the activities of the Bank of Canada. If the policy of the minister is to be taken from his answer, I may be constrained to raise this question at some future date.

Mr. RHODES: The relations of the government to the bank is one question but it is an entirely different thing to say that it is competent for hon. members to ask for detailed information with respect to the internal workings of the bank. I do not think hon. members should be permitted to ask how many are employed, their names, the colour of their hair, their ages and so on.

Mr. LAPOINTE: Their political complexion.

Mr. RHODES: My hon. friend may have that point of view but I think he will find that the reply I have made is in keeping with the ruling that the government is competent to give only that information which it has in its possession.

Motion as amended agreed to.

CUSTOMS TARIFF CHANGES

Mr. STITT (Nelson):

For a return showing all increases in the customs tariff passed by the parliament of Canada in the years 1929-1930; return to show former rates as well as increases and dates when changes were made.

JAPANESE IMMIGRATION

Mr. NEILL:

For a return showing the number of immigrants of Japanese nationality admitted into Canada during each of the fiscal years between March 31, 1930, and March 31, 1934, and showing in each of the above years how many were: (a) adult males; (b) adult females; and (c) children; also the number of people admitted into Canada during each of the above years of Japanese birth, but of British nationality, showing: (a) adult males; (b) adult females; and (c) children; and giving their names and the date and place where each were naturalized as British subjects.

He said: Mr. Speaker, with the permission of the house and the consent of the minister perhaps I may be permitted to insert the words "and occupation" after the word "names" in the last line.

Motion as amended agreed to.

ST-PASCAL, QUE., RURAL MAIL CARRIER

Mr. BOUCHARD:

For a copy of all papers, correspondence, letters, telegrams, reports of inspections and inquiries, and other documents in the possession of the Post Office Department, regarding the dismissal of Hector Hudon as rural mail carrier at St-Pascal (Kamouraska) and the appointment of his successor.

SQUAMISH INDIAN ACCOUNT NO. 54

Mr. MUNN:

For a return showing,—

1. The receipts and expenditures of the Squamish Indian Account No. 54, from the 1st of January, 1933, to the end of December, 1934.

2. Particulars, with names of the individuals who have received relief or other benefits, to whom such benefits were paid, and what amounts were paid to each.

3. Full details in regard to receipts received, from whom and for what.

WATERLOO, QUE., POST OFFICE BUILDING

Mr. TETREAULT:

For a copy of the report of the royal commissioner on the royal commission investigation held in the town of Waterloo, the 20, 21, 22, 26, 27, 28 and 29 December, 1934, by order of the governor in council, under the terms of the Inquiries Act, respecting the construction of a post office building.

Mr. STEWART (Leeds): I beg to inform the house that this document was tabled on the 20th instant and that the hon. member has consented to the motion being dropped.

Motion dropped.

PUBLIC WORKS CONSTRUCTION ACT

Mr. POWER:

For a return showing,—

1. The services carried out by the Department of Marine up to date under the authority of the Public Works Construction Act.

2. A list of all works which the said department is authorized to undertake under the same act.

ILLNESS OF PRIME MINISTER

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): The house will be interested to know that yesterday I had quite a long talk with the Prime Minister and his condition is daily improving. My own impression is that when the period of rest which has been prescribed for him has expired, which will be in the course of another ten days or so, he will be all right again. The doctor has given me a further report, dated to-day, which is couched in careful language, as it is quite proper that a medical man's statement should be:

The Prime Minister's condition shows further improvement and his progress during the past week has been satisfactory and uneventful. While some further rest in bed is necessary, his recovery is as rapid as can be expected.

R. S. Stevens.

PRIVILEGE—Mr. MACKENZIE

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I am sure the house will welcome the declaration just made by the acting leader of the government. I wish to raise a question of privilege with respect to the question I asked the government dealing with the amount of gold taken over by the Bank of Canada, and to request that the question be answered. I will deal with the first three subsections:

1. When did the Bank of Canada open for business?

2. How much gold was taken over from the chartered banks of Canada?

3 At what valuation?

There are certain other subsections which are not material to the present point. The answer reads:

1. On March 11, 1935.

2-9. Section 28 of the Bank of Canada Act requires that every chartered bank shall transfer to the Bank of Canada all gold coin and bullion owned and held by it in Canada. The transfer is made at the present standard value fixed by the Currency Act. The Bank of Canada Act provides that any profit resulting from the sale of gold transferred to the bank, or resulting from any change in the monetary standard, shall be paid into the consolidated revenue fund. It is provided, however, that if the governor in council is satisfied that the gold at the time of transfer was held against liabilities elsewhere in Canada, the profit shall belong to the chartered bank. The governor in council has not yet taken action under this provision.

My point is that the government has not answered my question as to what was the total amount of chartered bank gold transferred to the Bank of Canada. The second question of privilege is this. I asked whether the Bank of Canada had appointed any particular firm of solicitors and, if so, what firm; and, further, what were the terms in regard to salary and so forth. The answer is that the government has no information.

I submit that I should have a reply to that question.

Hon. E. N. RHODES (Minister of Finance): I shall be very pleased to look at the first question. As a matter of fact the quantity

of gold transferred will be disclosed by examination of the respective statements of the banks. With respect to the second question, may I say to my hon. friend that the answer is in strict conformity with the facts.

FARMERS' CREDITORS ACT

On the orders of the day:

Mr. A. E. MacLEAN (Prince): I wish to direct a question to the Minister of Finance with respect to the following press dispatch from Charlottetown, Prince Edward Island:

At a meeting yesterday of the provincial board of review in connection with the Farmers' Creditors Arrangement Act, the board declared that in the case where mortgagees have actually paid cash in giving loans to the farmers, neither the principal nor the interest will be disturbed.

Is this in keeping with the terms of the act?

Hon. E. N. RHODES (Minister of Finance): I have not seen the statement and I shall have to look into it before giving an answer. The policy pursued by individual boards of review will be entirely within their own competence.

PRICE SPREADS REPORT

On the orders of the day:

Mr. GEORGES BOUCHARD (Kamouraska): Can the Secretary of State say whether the French translation of the report of the commission on price spreads and mass buying is being proceeded with as expeditiously as we were led by the government last year to hope?

Hon. C. H. CAHAN (Secretary of State): With the printing and publication of the price spreads report, as Secretary of State I have nothing to do; it is entirely within the purview of the commission.

EASTERN POTATO GROWERS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): Has the Minister of Agriculture information to the effect that the province of Quebec will join the eastern potato marketing board?

Hon. ROBERT WEIR (Minister of Agriculture): I have no official information to that effect but I understand that they are giving the matter further consideration and expect an answer this week.

HUDSON BAY INSURANCE RATES

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): During the last year or two the government has been doing everything possible to get the insurance rates reduced in connection with Hudson bay voyages. After spending such a lot of money on the building of the Hudson Bay railway we are all very anxious that it should be used as much as possible, and one of the ways in which we hope to bring that about is to endeavour to get insurance rates reduced. If the house will permit me I will read a dispatch which has been received in regard to this question:

A cable dispatch received from the High Commissioner for Canada in Great Britain on Hudson bay marine insurance rates indicates that "the joint Hull committee has agreed with the imperial shipping committee to recommend to underwriters in London and Liverpool that for the season 1935 there shall be for well found ships a reduction of 25 per cent on 1934 minimum additional premium for suspending the warrant. Vessels equipped with a gyro compass may be allowed 25 per cent off that part of the new additional premium which is calculated on insured value of ship. The dates of opening and closing of season will remain unaltered, but surcharge of 25 per cent for leaving Churchill after 7th but before October 15, being calculated on new rates of additional premium, will represent a corresponding reduction. The full report of the imperial shipping committee will be presented to the governments concerned.

I may add that the insurance rates in a case of this kind are based on actual facts; that is, they have to wait a few years to see what losses there are in order to arrive at their rates. One of the difficulties in connection with Hudson bay insurance rates is that the number of vessels going there is very small and therefore the risk at Lloyds or elsewhere is not spread over as many vessels as it would be in other parts of the ocean. But I think I am safe in saying that this concession will be greatly appreciated and will help to increase shipments from Hudson bay.

MARKETING OF WHEAT

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): In view of the fact that the relief bill was passed the other day, under the authority of which the stabilization of the wheat market is maintained, can the government indicate just when we may expect the resolution now standing on the order paper in the name of the Prime Minister to be before the house? I refer to the resolution with regard to the creation of a grain board.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): I am sorry, but I cannot give the hon. gentleman that information at present.

ECONOMIC COUNCIL OF CANADA

ORGANIZATION OF BODY TO COORDINATE WORK OF DEPARTMENTS AND TO INVESTIGATE AND ADVISE UPON SOCIAL AND ECONOMIC PROBLEMS

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister) moved the third reading of Bill No. 39, to establish an economic council.

Motion agreed to and bill read the third time and passed.

EIGHT HOUR DAY

BILL TO LIMIT HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS

Hon. W. A. GORDON (Minister of Labour) moved the third reading of Bill No. 21, to provide for limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, in accordance with the convention concerning the application of the principle of the eight hour day or of the forty-eight hour week adopted by the general conference of the international labour organization of the League of Nations, in accordance with the labour part of the treaty of Versailles of June 28, 1919.

Hon. ERNEST LAPOINTE (Quebec-East): The question of jurisdiction has been argued many times and I do not want to say a word about it to-day except that I would like to place on Hansard an order in council just for the purpose of making complete the record on this question. This is P.C. 2325, an order in council concerning a draft convention limiting the hours of work in coal mines, adopted on October 26, 1932, and I would like to draw the attention of the house to the fact that this order in council was passed a year after the judgment in the radio case and eight months after the judgment in the aviation case. The order reads:

The committee of the privy council have had before them a report, dated 13th October, 1932, from the Minister of Justice, submitting that he has had under consideration, upon reference from the Department of Labour, the authentic text of the draft convention limiting hours of work in coal mines, adopted by the international labour conference at its fifteenth session (28th May-18th June, 1931), with a view to determining whether and to what extent the subject matter of this draft convention lies with the competence of parliament or of the provincial legislatures, in order that the said draft convention may be brought by the dominion government, in discharge of its obligation under article 405 of the treaty of Versailles and the corresponding article of the other treaties of

peace, before the authority or authorities within whose competence the matter lies, for legislative or other action.

The minister—

That is the Minister of Justice.

—observes that the draft convention embodies various provisions with regard to the regulation of hours of work of workers employed in coal mines, that is to say, in any mine from which hard coal or lignite, or principally hard coal or lignite together with other minerals, is extracted. It contemplates that such provisions shall be given compulsory effect against the management of every mine to which such provisions are to be respectively made applicable. Ratification of the convention would consequently involve an obligation on the part of each government concerned to give effect to the provisions of the convention by legislative action in so far as existing laws may not afford adequate authority for that purpose.

The provisions of the convention which require legislative action to make them effective clearly involve legislation which, in its subject matter, would be directly concerned with classes of subjects assigned exclusively to the provincial legislatures by section 92 of the British North America Act, 1867: in particular "local works and undertakings" (section 92 (10)); "property and civil rights in the province" (section 92 (13)) and perhaps also "generally all matters of a merely local or private nature in the province" (section 92 (16)). While legislation upon the subject matter of the provisions of the convention might perhaps be enacted by the parliament of Canada in an ancillary or incidental way in relation to any coal mine which has been declared to be a work for the general advantage of Canada: (section 91 and section 92 (10) (c), British North America Act, 1867); Union Colliery Company of British Columbia versus Bryden (1899), A.C. 580, 585, the Minister of Justice is of opinion that legislative jurisdiction touching that subject matter is, as regards those parts of Canada included within the several provinces, primarily vested in the provincial legislatures and that it is within the competence of the several provincial governments by appropriate legislative action to give effect to the proposals of the convention generally and comprehensively, except for those parts of Canada which are not included within the limits of any province. As to the latter, exclusive legislative jurisdiction in relation to the subject matter of the convention is vested in the parliament of Canada. The minister observes that the decision of the Supreme Court of Canada in the matter of legislative jurisdiction over hours of labour (1925) S.C.R. 505, affords strong support for the opinion above expressed.

The committee—

That is the whole government.

—concur in the foregoing and advise that a copy hereof, together with an authenticated copy of the draft convention, be transmitted to the lieutenant-governors of the respective provinces for the consideration of their respective governments with a view to the enactment of legislation or such other action upon the

subject matter of the draft convention, within the provincial sphere of jurisdiction, as each government may be advised to take.

All of which is respectfully submitted for Your Excellency's approval.

E. J. Lemaire,
Clerk of the Privy Council.

I wish only to say that the law in 1932 is still the law in 1935.

Hon. HUGH GUTHRIE (Minister of Justice): Just a word in reply to my hon. friend's statement. In my opinion the statement of law as set forth in the order in council just read is correct, but the situation is not the same to-day as it was then. The situation to-day is that this house has approved a convention submitted under the provisions of the treaty of Versailles and we have undertaken new responsibilities under the terms of that treaty. The opinion expressed in the order in council was correct, but the convention having been approved by parliament, the whole situation is changed, and I submit that parliament now has jurisdiction.

Mr. LAPOINTE: Why did the government not have the convention approved in 1932?

Mr. A. A. HEAPS (North Winnipeg): I have no doubt that the constitutional point raised by the former Minister of Justice (Mr. Lapointe) is a very important one to those people who are versed in constitutional law; possibly to them it may be an all-important question, but apart from that aspect of the question, there is another and more important feature involved, and that is the principle of the measure itself now before parliament. I believe the people who are to-day interested in the question of the shorter work week are ever so much more numerous than those who are interested in the constitutional aspect. I realize however on the one hand that the latter part of the question must be settled before parliament can effectively legislate along the lines as proposed in this bill; but I am satisfied on the other that the government with its legal advisers and the number of lawyers who happen to be members of the government would not have undertaken the step they did unless they felt they were justified from a legal standpoint in so doing.

The purpose I have in rising to-day is not to deal with the constitutional aspect because even if I wanted to, I could not do so. After all very often in matters of this kind the constitutional question is only relative, because our constitution changes with the needs of the times. That, I believe, is the history of the British constitution. What may have been illegal forty or fifty years ago may to-day be legal, without any change in the statutes of the country. On this occasion the government have thought fit to introduce a bill to establish in Canada a forty-eight hour working week. As far as the bill itself is concerned I do not regard it as a very important measure, but I regard the recognition of the principle of a maximum working week as of considerable importance. For that reason I am supporting the measure, and I am pleased indeed to see the government taking this step, even though it is so many years since the signing of the Versailles treaty. On previous occasions when I have spoken on labour problems in this house I have said that I attach more importance to legislation concerning hours of work than to some of the other legislation introduced here. We are confronted to-day with a very grave unemployment situation. Vast numbers of our citizens, men and women, are unable to find means of livelihood. I have contended in the house year in and year out, that one of the first steps we should take in order to absorb these people into industry is a considerable reduction in the hours of labour. That is why when the unemployment insurance bill was before the house I claimed that in itself it was no remedy for unemployment and could hardly be called a palliative. But now that we have this measure before us dealing with hours of labour, I hope that it will be much more far reaching in its effect than merely restricting working hours to forty-eight per week, otherwise it will not be of much more importance than the unemployment insurance measure.

I want to go back to a little over a year ago. On February 5, 1934, this house passed a resolution dealing with the shorter working week, when I introduced the following motion:

> That, in the opinion of this house, the government should take into immediate consideration the necessity of reducing the hours of labour of those engaged in industry, and also increase the purchasing power of the masses of our people in order that they may absorb the goods produced, thereby creating a more equitable distribution of our wealth production.

On that occasion the present Minister of Justice (Mr. Guthrie) accepted the resolution on behalf of the government, and that motion carried unanimously. It asked for a reduction in the hours of labour and also for an increase in the purchasing power of the masses of the people. I think on that occasion I argued for a shorter working day and a thirty hour week, and this afternoon I intend

moving an amendment to the resolution also asking this house to approve of a thirty hour working week.

Now shorter working days in themselves of course are very important, but unless we give to the masses of the people increased purchasing power they will be very little better off with the shorter working day than at present, because it would only mean spreading out the purchasing power now existing without increasing it to any extent. Now why have I always argued in this house and outside in favour of a shorter working week and increased purchasing power? I think it has begun to be realized that if we are going to absorb the vast number of unemployed into industry it can only be done by decreasing the hours of work, and by facilitating absorption of the goods that we are able to produce. I do not think that any one would argue that our ills to-day are due to lack of productive capacity. We have tried other remedies; for some years now we have tried public works, but even at the best public works are only a temporary palliative, they are like putting a plaster on an ulcer, covering up the sore spot but not curing the evil at its root. The question also arises whether the conditions through which we are now passing can be called abnormal. For some time it has seemed to me that these conditions which have existed for the last five years are really becoming normal. There is no person who can say that the present unfortunate conditions as to employment are not going to continue. I think we must be prepared to accept these conditions as likely to exist for some time to come in spite of all the legislation that is now before parliament. As a result of unemployment we are carrying a load which threatens to break down the financial structure of the country. The burden is becoming too great for our municipalities, our provincial governments are unable to bear it, and the federal government even cannot finance unemployment relief out of current revenue and are compelled to finance it out of borrowings or otherwise on capital account. This unemployment relief expenditure is a huge, unproductive outlay, returning nothing as far as the country is concerned, but creating untold hardship and misery. What is more important than the mere money aspect and the cost to the municipalities and the provincial and federal exchequers is the injury to the morale of the unemployed. Do we give enough attention to that? Do we think of these young boys who since leaving school have been unable to find any useful occupation which they may enter and take their part in the normal activities of life? Many of these young people have been out of school four or five years and have been unable to get a useful day's work. Think of the plight of the unemployed, always looking for that elusive job which cannot be found; which is something like prosperity, always around the corner. That vain search for the elusive job does more to sap the morale of many of our unemployed than anything one can imagine.

I believe on the other hand that the capitalistic system as we have it to-day cannot cure the conditions which it has created. Our economic system to-day demands on the one hand economies, and on the other huge expenditures. Our governments have been compelled to come to the assistance of many of our large financial and industrial institutions; we have been compelled to give guarantees to the banks, to give guarantees to the railways and to give guarantees to large power corporations. Yet the heads of those same institutions keep telling parliament that expenditures must be still more restricted and that the government must keep out of business. If the government did keep out of business very long these institutions would be in much worse plight than they are. Our present system compels us, in order to find employment for those out of work, to produce goods years ahead of actual requirements. Buildings have been constructed which in many cases are not required, our railway building and equipment has been in advance of our needs; that goes to indicate the chaotic condition of our economic structure at the present time, when we go on constructing things years ahead of requirements, and yet thousands of our Canadian people are compelled to go without the necessaries of life.

To-day we are living in an age of what we term contracting capitalism. Some years ago, in the middle and towards the end of the last century, we were living in an age of expanding capitalism, and as long as capitalism expanded we were able to find markets in different parts of the world for the surplus goods we produced. To-day, however, because of our tremendous productive capacity, those foreign markets are fast disappearing, and we in Canada in this connection are in exactly the same plight as are the people in other parts of the world. For instance, we supply the other parts of the world with capital goods which ultimately come into competition with the very goods

we produce in this country. After a time, after we have provided these so-called backward countries with articles we ourselves produce, we find that they are competitors of ours in the markets of the world, and with the increasing production in all parts of the world we have a glut of commodities on all sides with no purchasing power in the hands of the masses of the people.

I think, Mr. Speaker, that was amply recognized when we had the international labour conference at Washington in 1919. I believe that was one of the reasons which brought about that conference, at which the different nations tried by some means or other to cope with what was already, at that time, a very difficult situation, namely the over-production of commodities and the number of people even then who found themselves out of work. That was sixteen years ago, and at that time the forty-eight hour week was approved. But a great many things have happened during the past sixteen years, and I claim that in the year 1935 a forty-eight hour week or eight hour day is entirely obsolete and out of harmony with existing productive capacity. Since 1919 we have tried all kinds of remedies to meet the situation in this country. We have tried public works, relief works of one kind and another, high tariffs and many other things, but nothing has met the situation and I claim that nothing we have tried so far is able to meet the situation as it exists in the year 1935.

There have been tremendous economic changes since 1919, and one of the most important of these changes has been the vast increase in the productive capacity of the economic machine. According to a well known United States statistician, Doctor F. C. Mills, between 1919 and 1933 the productive capacity of the United States increased by 71 per cent. That was over a period of sixteen years, the exact period with which we are dealing at the present time. I would venture to assert that these figures which this eminent statistician gives in connection with the United States have been followed very closely in Canada; I think there has been a similar increase in the productive capacity of our people in Canada. Then if that is the case, Mr. Speaker, I think there should be a considerably greater reduction of hours of work, beyond forty-eight hours a week. A few weeks ago our bureau of statistics issued a bulletin to which it is well worth while to refer for a few moments. On February 7 last our statistical branch issued some figures in connection with the production of our textile industries, which I think are of significance to us under present conditions. It is pointed out that the value of production in the cotton textile industry in 1933 was $58,461,000, an increase over the previous year of $13,110,000, or 28 per cent. In 1933 there were 17,885 persons employed in this industry, or 1,067 more than in the previous year. In 1933 the wages amounted to $13,220,000, an increase over 1932 of $61,000, or one-half of 1 per cent. I want the house to appreciate these figures. Though there was an increase in production of 28 per cent, in the same year there was an increase in wages of only one-half of 1 per cent. Though there were 1,067 more persons employed in 1933 than in 1932, wages increased by only one-half of 1 per cent. If those wages were divided equally among those employed I believe there would be an actual decrease in the wages paid the men and women employed in our textile industries, in spite of the fact that there was a 28 per cent increase in production.

That is simply an example of what is taking place all the time. When the government issue figures from time to time tending to show that production has been increased by so much, in textiles, in boots and shoes, in furniture and so on, it does not necessarily mean that more people have been employed. Probably it only means that the machines have been a little busier and have turned out more goods than in the previous year. That has been one of the main factors in the creation of that vast army of unemployed in Canada to-day, despite the fact that there has been a certain increase in our production in the last year or so. In this country we can always produce far more than we can reasonably consume, and in addition to our huge surplus of production we have a vast reservoir of workers anxiously awaiting the opportunity to be absorbed into gainful production. With the increasing use of machinery, however, these men and women are denied the opportunity of making a decent livelihood. I say, Mr. Speaker—and I am arguing for a shorter work day—that if as a result of the ingenuity of man during past generations we have reached the stage in our civilization when we can produce such a superabundance beyond our own requirements, then man ought to have the benefit of these scientific inventions, and that benefit should be in the form of giving the individual greater leisure than he has at the present time.

The forty-eight hour week, as provided for in this measure, does not give us very much. In a few isolated instances across this country those who to-day are working a little longer

than forty-eight hours a week may be affected. There are not very many of them; my hon. friend from Bow River (Mr. Garland) suggests night watchmen and members of parliament. I think very few unemployed would be absorbed into industry in those few instances. If we are really to give useful work to our unemployed there must be a considerable reduction in the hours of labour, much below the forty-eight hours suggested in the present bill. I say this in spite of the fact that I give the measure my blessing and am happy, in a way, to see it introduced in parliament. I venture to assert, and this has been stated by many economists, that if we would absorb into productive employment these men and women who are to-day out of work and we put them all doing something useful, a three hour day might be sufficient to satisfy human requirements, but I am quite prepared on the present occasion to compromise on the six hour basis. In the United States at the present time there is before the Senate a bill for a six hour day being favourably considered. Why should we be behind the United States? There a similar bill was reported favourably upon last year, and the men who introduced that bill before the Senate and argued in its favour took the very same stand that I am taking here this afternoon, that if we are ever going to get back to anything approaching normal there has to be a shorter working week and a considerable increase in the purchasing power of the great masses of our people. I believe the very fact of this bill being introduced here this afternoon is a recognition of that principle, and the only difference I suppose now between the different groups in this house, if the house accepts the principle of a shorter working week, is the number of hours per week that should be worked in order to absorb the unemployed workers of this dominion.

So far as I am concerned and in this I am speaking I believe for those in this corner of the house, I am strongly opposed to the curtailment of production in whatever shape or form it may take, whether on the farm or in the factory or in the work shop. It is a form of industrial sabotage to which I am totally opposed, for I feel that the greater our productive capacity and the more we produce the better it ought to be for all concerned. But unfortunately that has not been the case during the past few years in this Dominion of Canada, nor for that matter in any other part of the world.

The hours of labour ought to be regulated according to the needs of the times. If through some catastrophe that might take place the average workman in this country were called upon to work eight or ten or twelve hours a day, he would be glad to work to the utmost of his capacity provided there was the need for it, but on the other hand when there is no need for it, the great masses of our people should be given the advantage and blessing of modern invention, modern ingenuity and modern equipment.

Then there ought to be some close relationship between our productive capacity and our consumptive opportunities. To-day there is absolutely no relationship between the two. We produce goods in abundance in a haphazard way and then let them lie on our shelves and go to waste or sometimes rot while our people throughout the country are wanting these very goods but have no opportunity of consuming them. In my opinion a thirty hour week would be more than sufficient, so far as our work shops and our factories are concerned, to produce all that we could reasonably consume here in this dominion. I say that there must be a reasonable balance between production and consumption, with production always a little ahead of consumption.

I know that some people might say, and say with certain justification, that in the United States they have tried certain experiments which were not successful. Speaking in this house a little over a year ago, I said then that I did not expect very much success from the experiments that were being made in the United States because what they were doing there was trying to increase production ostensibly in order to absorb labour. The result was that the machine worked and profits were greater as a result of the increased production, and very little of the benefit of that increased production went to those who were actually engaged in a productive capacity.

Secondly, in the United States they tried to make codes and regulations, to establish a sort of cooperative system within the confines of the competitive, and sooner or later one had to give way to the other. Either the competitive had to give way to the cooperative, or the cooperative had to give way to the competitive. The result in the United States was that the cooperative efforts that were attempted to be established soon had to give way to the competitive, and the competitive system ran wild, with the consequent chaos that we see in the United States to-day.

Personally I would like to see us avoid the chaos that they have gone through in the United States, and I think it could be done if the government would give serious study

to some of the points I have outlined in my remarks here this afternoon. We are borrowing vast sums of money, just as they did in the United States. I have forgotten how many billions of dollars the United States has borrowed in the effort to borrow themselves back into prosperity. No nation can borrow itself back into prosperity. That is false economics all the way through, for the more they borrow the more they owe, the greater their indebtedness and the greater the load, and the moment the borrowing ceases you revert back to a condition which may well be worse than the first. There is an obvious reason for that. As long as you are living on borrowed money there is a fictitious sort of prosperity, but the moment the money that was borrowed has been spent and you have to pay it back, the conditions become entirely different. Therefore I say that we must get down to something more fundamental than the borrowing of money to bring about a prosperous condition among our people. As I have pointed out in this house year after year, there is to-day a huge gap between our production and our consumption. I said a few moments ago I am opposed to cutting down on production. What I want to see is an increase of the consumptive opportunities of our people throughout the length and breadth of this dominion, and by increasing those consumptive opportunities we shall be able to keep the industrial machine going, though I am free to admit, it may interfere with the large profits of those who own the machinery of production and distribution. But if in this house one has got to choose between the profits of a few individuals and the well-being of the great masses of our people, I am compelled to choose and be on the side of the masses of the people of this dominion.

It may be argued that a shorter work day will increase price levels and may perhaps hurt the position of the farmer, but I do not think, Mr. Speaker, that the farmer can be hurt very much more than he is at the present time. I as one coming from an industrial constituency, elected as a labour member and representing a labour constituency, am just as anxious for the farmer to be placed in a sound and secure position as I am to see the man in the industrial centres enjoy that security which he lacks at the present time. Price levels, important as they are, are not the all-important thing. I think the most important thing is to put into consumptive channels the goods we produce. In other words, there has to be a more equitable distribution of our wealth production in this dominion. The wealth of a nation is not determined by price levels. The wealth of a nation is determined in the first place by the wealth that nation has within its geographical borders, its mines, its forests, its fields, its factories and its work shops. They are wealth, or potential wealth, and when the hand of man is put to these raw materials and potential wealth he produces the essential things of life. We are not short of wealth in this country, whether the price level is high or low. I was in Germany in 1923 when the price level was abnormally high, and just for an ordinary collar I would pay may be one quarter of a million marks, but that extraordinary high price level did not bring about prosperity in Germany. Nor does a low price level bring prosperity to the people of China. Prosperity can only come with high productive capacity, and when the results of that production are equally distributed among the people of that country, and that is exactly what I want to see in this dominion. We have that high productive capacity, and let us now bend our energies towards distributing our wealth production amongst the people who produce it so that they may enjoy the results of their labour.

We find that in this country we have more clothing probably than we know what to do with. We can produce clothing in abundance right from the raw materials almost through to the finished product. We have more wheat than the farmer knows what to do with. But the farmer cannot get the clothing he requires, and the man in the city has a mighty difficult task to get the flour to make into the bread that he needs. The only body that can deal with a question of this character is this parliament. We are the only logical body to deal with it, and any jurisdictional difficulties that might arise I think are infinitesimal as compared with the difficulty which the Canadian people have to-day in making a decent livelihood and finding a certain amount of security in life. To-day they have neither the opportunity of making a decent livelihood nor the opportunity of obtaining any security in life. Private initiative has failed completely in this respect just the same as it has failed in the United States during the past two years. Our people are compelled therefore to look to parliament as the only place where redress can be obtained. The provincial governments say that they cannot act in the matter and in spite of what some hon. members may say as to the difficulties presented by our constitution, I feel sure that if this parliament will show the

ways and means of grappling with the unemployment situation in a serious way none of the provincial authorities will question its jurisdiction.

Just as in the case of an eight hour day, a six hour day will mean more control and regulation and possibly more ownership of certain things by this parliament. After all there is not a very great gap between control and regulation and ownership. I do not contend that those who are in control or ownership of industry are anxious to see unemployment in our midst because I believe that if they had the power to eliminate it they would do so immediately. But the power of coping with this grave situation which now exists is beyond the control of the employers of labour.

Hon. members on the government side have referred to the new social order which will be created by this legislation but I cannot see that this legislation, the unemployment insurance legislation or other legislation which has been brought down ushers in a new social order. They may prove a fine gesture but I am afraid they will not go far in overcoming the difficulties of the situation.

The amendment which I propose to move to the motion for third reading will reduce the hours of work per week from forty-eight to thirty. I submit that this parliament could do something which will offer redress to those men and women who find themselves out of work. I venture to assert that should the forty-eight hour legislation become effective within the next few months very few additional men and women will be absorbed into industry. After all, the important question to be considered is : How many more people will find work? Perhaps I had better read my amendment in order to give hon. members an opportunity of seeing what it contains. I intend to move, seconded by Mr. MacInnis:

> That all the words after "that" be struck out, and the following be substituted therefor: "Bill No. 21 be referred back to the committee of the whole with instructions that they have power to amend same by striking out the words 'forty-eight' where they appear in the said bill and substituting the word 'thirty' therefor, and also by striking out the word 'eight' where it appears and substituting the word 'six' therefor."

The adoption of this amendment would reduce the hours of work from forty-eight per week to thirty per week by means of a five day week of six hours each. I hope the government will give this matter sympathetic consideration. As I said a moment ago, in the United States at the present time the government is considering the adoption of a six hour day. This matter was reported on favourably last year and I have every reason to believe that this year that government will pass legislation to enact a thirty hour week. Not only does the resolution now before the Senate of the United States provide for a thirty hour week but it stipulates that there shall be no reduction in pay. In other words, a person receiving $25 per week for a forty hour week would receive the same wages for a thirty hour week.

Mr. J. H. STITT (Selkirk): Mr. Speaker, it strikes me that the hon. member for North Winnipeg (Mr. Heaps) is moving an amendment which, if carried, would cause more unemployment. In fact, it would bring about the bankruptcy of all our industries. I am sympathetic with the objects which seem to be in the mind of the hon. member for North Winnipeg but under the industrial system which we have at the present time and in which the profit motive is the dominant one, how can we expect to have more employment if we ask the employer of labour to pay more for less? That is what this amendment means. If it asked that the whole matter of hours of employment be referred to the League of Nations, then I think any hon. member with any element of logic in his makeup could support the motion.

During the course of the remarks of the last speaker I was talking with a gentleman who has quite a lot to do with industry in this country. He told me that during the last four years he lost practically all the reserves which had been built up, a total of over a quarter of a million dollars. I wonder if those who are employed in the country at the present time really expect, except with the advent of socialism to-morrow, that any employer will pay them just as much money as they are paying them to-day for a shorter day of work or for less production. And after all, is not the prosperity of this nation based largely upon the possibility of the expansion of our export trade? I have heard my learned friend—

Mr. HEAPS: I am not learned.

Mr. STITT (Selkirk): Well, he is very learned, in fact if not by courtesy, and I have heard him say that he was not in favour of tariffs but of world trade. Surely if you are in favour of world trade you are in favour of this country participating in world trade, and why should you put this country on the basis

of more expensive production and expect it to obtain a larger share of the world's market? How is that possible in a world which is dominated by the profit motive? This resolution, if it were passed and if proper laws were enacted to enforce it in this country, would be the last step under our present system and the first step to complete socialism, and in my opinion it would lead to chaos. I think that is what it means. I want my hon. friend from North Winnipeg to realize this. I know that as time goes on, even at present, we ought to have fewer hours of labour; there is no doubt about that. But how can we get so far ahead of world progress so long as we have to bear in mind the existence of the profit motive? Why do men go into business? Why does any man work? Under our system men work for wages, and they establish industries and go into trade for the purpose of making profits. Employment is all based on the wage motive or the profit motive. I believe that if the resolution were passed and if this country set up the necessary administrative machinery to enforce it there would be more unemployment to-morrow than there is to-day and there would be chaos.

Mr. HEAPS: Can the hon. member tell me why they are trying to do it in the United States?

Mr. STITT (Selkirk): Are they trying?

Mr. HEAPS: Certainly. It is now before the Senate.

Mr. STITT (Selkirk): The United States is practically in the position where its whole export trade only amounts to between eight and ten per cent of its entire business. Look at the wheat situation in this country, however. The United States is a far more self-contained nation than we are. Suppose we applied the six hour day to agriculture, considering the difficulty we have at the present time in getting any kind of reasonable price for our wheat. Suppose we increased the farmer's cost. This resolution if enacted would increase the cost of every commodity that enters into every kind of production including agriculture. The farmer's machinery would cost more; transportation would cost more; everything he uses would cost more. There is no doubt that if we were living in a socialistic or communistic world, a world in which profit had been absolutely abolished, it would be possible to enact and administer such a measure. But with the world as it is, when we are moved no doubt by the deplorable conditions that exist in the country, moved no doubt by the strongest possible desire to remedy the situation, why should we forget the facts and in a measure of abstract idealism bring ruin to the whole industrial and trading fabric of the nation? We have to face these things in a real. honest, genuine way. My hon. friend advances many resolutions which I support theoretically, but when it comes to the real application of these measures, how can we do it? How can you ask an industry which is exporting agricultural implements or automobiles to compete with Japan at the present time and reduce its hours of labour by thirty-three per cent and increase its cost? How can it be done? After all, states like great engines move slowly, and though the object which my hon. friend has in mind is a laudable one I do not think it is possible of accomplishment. He says that the question of jurisdiction is a small one.

Mr. HEAPS: No, I did not.

Mr. STITT (Selkirk): Well, not very important.

Mr. HEAPS: It is not as important as the unemployment situation.

Mr. STITT (Selkirk): Of course it is not; there is no doubt about that. But the question of jurisdiction may be a great question in the next election.

Mr. HEAPS: I am satisfied with the Prime Minister's stand on that.

Mr. STITT (Selkirk): Our whole jurisdiction is based on an international treaty or arrangement. We have not made any international agreement for a six hour day and it is the only basis on which we can get jurisdiction, unless the state of the nation becomes so deplorable that under peace, order and good government we have to enter into the whole realm of business, and then society will be in a state of collapse. And I believe that is what would happen if this proposal were enacted. What about human nature? What about the railway men at the present time? The railway men who are employed want to run their 3,600 miles a month. They do not want to cut down their right to earn money and to have the work distributed to their brothers who are out of employment. Although ideally they preach that doctrine they do not live up to it in practice.

I think the object which the hon. member has in view is perfectly laudable and there should be a reduction in the hours of labour. But until we find ourselves in a world which is more in agreement than at the present time, there is no use destroying the whole fabric of industry and trade. It seems to me that any resolution for a six hour day at the

present time would certainly be more productive of evil than of good, unless it were regarded merely as a lamp to guide us on our way or as the first step towards a proposition which might be explored by the League of Nations we might in such a case achieve some measure of improvement in human welfare if we could secure world agreement. But to pursue a policy like this in isolation is nothing short of abstract madness, which would lead us immediately to chaos.

Hon. ERNEST LAPOINTE (Quebec East): I was hoping that the government would indicate its attitude toward the amendment of the hon. member for North Winnipeg (Mr. Heaps). I hate to come to their rescue, but I am afraid I shall have to. First I may say that with some of the views expressed by my hon. friend I would be in agreement. It is true that the labour people in the world to-day are not much interested in a forty-eight hour week as was indicated last year at the international labour conference where a draft convention was submitted for a forty hour work week and, as I said on the second reading of this bill or when the draft convention was submitted to the house, was adopted by the convention but failed of having any effect because there was not the quorum required by the rules of the conference owing to the fact that most of the government delegates, including the one representing Canada, were absent when the vote was taken. However the conference adopted a resolution to place this draft convention upon the agenda for the next conference which takes place in a week or two. This will be the first matter to be considered there, and the government might have waited until this draft convention is disposed of by the labour conference before dealing with this matter. However we have before the house this bill for a forty-eight hour week, and the government is basing this legislation on the draft convention adopted at Washington in 1919. This is part of the preamble of the bill:

> Whereas a draft convention respecting hours of work in industrial undertakings was agreed upon at a general conference of the international labour organization of the league of nations, in accordance with the relevant articles of the said treaty, which said convention has been ratified by Canada; and whereas it is advisable to enact the necessary legislation to enable Canada to discharge the obligations assumed under the provisions of the said treaty—

And so forth. The draft convention of 1919 is for a forty-eight hour week. It is the only thing that might give an appearance of right to parliament to enact this law which is, as everybody will agree with me, primarily under provincial jurisdiction. But the motion of my hon. friend for a thirty hour work week and a six hour work day is not based on any draft convention or indeed on anything; it is clearly provincial in its sphere. This parliament has no right to pass that even on the claim of the government that the draft convention of 1919 gives them jurisdiction for the present bill; it would not give them jurisdiction for the amendment of my hon. friend.

Mr. GUTHRIE: Does the draft convention not say "forty-eight hours or less"?

Mr. HANSON (York-Sunbury): "Not exceeding."

Mr. LAPOINTE: "Not to exceed." But I do not think this will mean what the amendment involves, because the conference finds it necessary to pass another draft convention to cover a forty hour week. Under the circumstances, as I have more than grave doubts that the courts will decide that the present bill when enacted will be valid, I think if the amendment of my hon. friend is inserted. the situation will be still worse. I want to give to the legislation which parliament is going to enact at least the chance, when it stands the test of a judicial decision, of not having the tail which my hon. friend is imposing upon it.

Hon. W. A. GORDON (Minister of Labour): In making a short reply to the observations of the hon. member for North Winnipeg (Mr. Heaps) I trust he will not charge me with being a sceptic with respect to his conception of what might happen in industry and the world. The amendment suggests that the work week be reduced from forty-eight to thirty hours and the work day from eight to six hours. If parliament has its right founded in law to enact the present measure, it finds that right in the draft convention which was approved at Washington in 1919.

Mr. POULIOT: It was a draft convention, not a convention.

Mr. GORDON: On every occasion I believe when organized labour appeared before the various governments of this country since the approval of the draft convention at Washington, organized labour has urged the passage of a measure such as is before the house to-day; organized labour has asked for a forty-eight hour week and an eight hour day. When that draft convention was approved at Washington, there was a very large gathering of representatives of the various countries of the world that had become signatories to the treaty. The

Labour Gazette of December, 1919, in reporting that labour conference at Washington has this to say at page 1425:

The first international labour conference, convened under the authority of the treaty of peace, assembled in Washington, D.C., on October 29, and concluded its labours exactly one month later on November 29. The purpose of this organization is to promote the international regulation of labour conditions.

It was the first time that representatives of governments, and of employing and employed interests assembled in an international conference to consider labour problems. The agenda of this first conference had been fixed in the peace treaty and the proceedings in Washington were entirely confined thereto. The matters under consideration related to the permanent organization of the international labour body and the following specific subjects of reference, namely: The application in the countries represented of the principle of the eight hour day or forty-eight hour week, the question of preventing or providing against unemployment, various proposals relating to the employment of women and children. Considering the diversity of the interests represented, it was the general feeling that the discussions and decisions of the conference gave evidence of a sincere desire on the part of the participants to fulfil the purposes for which the organization had been created.

I would like to draw the attention of hon. members to the last paragraph:

The conference gave evidence of a sincere desire on the part of the participants to fulfil the purposes for which the organization had been created.

Then the report goes on:

The following general principles are enunciated in the treaty of peace as comprising the methods and principles for regulating industrial conditions which all industrial communities should endeavour to apply so far as their special circumstances will permit.

It proceeds then with quotations from the treaty itself.

The high contracting parties,—

And Canada was one of them:

—recognizing that the well being, physical, moral and intellecutal, of industrial wage earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section I and asociated with that of the League of Nations.

With that general thought in view the conference proceeded with its labours. We had at that conference a very large and very representative body of delegates and advisers, numbering twenty-six in all. They included Hon. G. D. Robertson, Minister of Labour for Canada, and Hon. Newton W. Rowell as government delegates. We had as advisers, F. A Acland, Deputy Minister of Labour, Mr. Loring G. Christie, Mr. Daniel A. Cameron, Hon. C. W. Robinson, Hon. W. L. Mackenzie King, Mr. Louis Guyon, Doctor Walter A. Riddell, Hon. Thomas H. Johnson, Mr. T. M. Molloy, Hon. C. R. Mitchell, Mr. J. D. McNiven, Mr. Gerald H. Brown, Mr. S. R. Parsons, Mr. Sam Harris, Mr. J. T. Stirrett, Mr. E. Blake Robertson, Mr. J. B. Hugg, Mr. J. G. Merrick, Mr. P. M. Draper, Mr. Tom Moore, Mr. Arthur Martel, Mr. Robert Baxter, Mr. David Rees, Mrs. Kathleen Derry. So hon. members will see that Canada was represented at that conference by very eminent persons, meeting for the purpose of formulating and adopting draft conventions, and unquestionably assuming some responsibility to see that those draft conventions were something more than mere expressions of pious wishes. Certainly there must have been some assumption of obligation on everyone represented there to see that these draft conventions were ultimately given effect to in the countries to which they applied. Now the right hon. leader of the opposition was at that conference, and doubtless displayed his usual activity. I think I can surmise that he took a very active part in seeing that that draft convention was brought into being and carefully revised.

As I say, year after year organized labour in Canada has asked that that draft convention be given effect to. What was the result? Less than three years afterwards the government in Canada changed and a Liberal government came into power. What was the attitude of that government with respect to these draft conventions which have become the subject matter of legislation during this session of parliament? They went into the depths of cold storage. Nothing was ever done to bring them into effect. Yet the right hon. leader of the opposition, always interested, like the rest of us I hope, in promoting peace and good will in the world, and professing a desire, and I believe trying at times to do something for labour—I do not want to detract from what the right hon. leader of the opposition has done—with respect to these draft conventions he did nothing. During those intervening years from 1922 until a few weeks ago, the hon. member for Quebec East (Mr. Lapointe) was one of the foremost men in Canada advocating the League of Nations, the treaty of peace and all these complementary things that have to do with them. Now what happens? The very moment a government in Canada seeks to give effect to these draft conventions the right hon. leader of the opposition drags out

old ultra vires, and the hon. member for Quebec East resigns from leadership of the League of Nations society in Canada.

Mr. LAPOINTE: Keep that for the platform.

Mr. GORDON: Well, if I am wrong I stand to be corrected.

Mr. LAPOINTE: It is nonsense.

Mr. GORDON: Now, as to this amendment if the government is right in its legal position that, having become a signatory to the peace treaty and having approved and adopted a draft convention in this parliament and having by reason thereof a right to found legislation upon the convention, then of necessity if the government's view is to prevail it must follow the terms of that convention in substance. But the hon. member for North Winnipeg (Mr. Heaps) advances an amendment which by its very terms will place those who seek to impeach this bill in the position that suits their purpose, that of being able to say that we have departed completely from the convention. The amendment would enable them to advance that argument before the courts as a reason why this legislation should be declared ultra vires of the dominion parliament. I do not know why my hon. friend advanced that amendment, for he must have known what its effect would be.

For my part I suggest that working hours should be reduced just as rapidly as can be done with safety, but that it would not be of benefit to the working people of this country to assume deliberately an attitude that will nullify this great forward step, as I believe it is, of placing in the power of this parliament through our participation in the League of Nations the right to control these very vital matters that experience is disclosing must in a measure be controlled by the central authority. I am not going to endeavour to go into the legal position concerning this bill. I have heard it discussed here, I have read the discussions in another place in parliament. I think I have said before that we can learn a lot of law from all the discussions. But when I find very eminent legal gentlemen such as the hon. member for Quebec East, very eminent constitutional authorities such as the right hon. leader of the opposition, and very eminent lawyers like the Prime Minister (Mr. Bennett) and the leader of the Senate, not seeing exactly eye to eye on this question, I get some comfort out of the thought that, while I am sure this legislation is within our competence, I feel so for reasons different from those expressed by these other gentlemen. So we have a pretty general disagreement of opinion both here and in the Senate.

I think this legislation will stand the test of our courts. The hon. member for Quebec East says a further measure is now pending before this same tribunal which will still further reduce the hours of labour, and he suggests that we should wait until we see the fate of that further convention before proceeding with this measure. I think the sound course, if the government is right, is to go ahead now, adopt this convention and, have it understood across Canada that, through the agency of this treaty, the federal parliament has the right to do what we are now doing. Then if at some near future date the international labour organization, with all the nations of the world represented, comes to the conclusion that a further or different arrangement can be safely offered to the signatories of the treaty and those nations that are members of the labour organization, then it will be time for this parliament to undertake to draft legislation founded on that new convention.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I had rather hoped that the Minister of Labour (Mr. Gordon) would have found it possible to get this social legislation through by discussing it on its merits, and wait until the time of the general election to make his stump speeches. However, he has evidently found the temptation too great to resist, and has sought to imply, to say the least, that the present leader of the opposition, having been one of the many advisers who were present at the international labour conference held at Washington in 1919, was to-day opposing legislation which at that time he was partly instrumental in having recommended.

Mr. GORDON: I did not say you were opposing it now.

Mr. MACKENZIE KING: Then we will put it in this way, that I was objecting to the jurisdiction of this parliament to deal with the matter. At any rate my hon. friend found it necessary to depart for a time from the legislation itself and devote a few remarks to myself. Perhaps he will pardon me, therefore, if I find it necessary to say a word or two about my position in connection with that international conference, for what light it may help to throw on the present situation. I recollect very well that at the time the conference was meeting in the United States, in 1919, the Union government was in power

in this country, and the Hon. N. W. Rowell was a member of the administration. If I recollect aright the invitation to me to be an adviser came either from Mr. Rowell or from the late Senator Robertson, who was then Minister of Labour.

Mr. GORDON: If I might interject, the notes of the conference suggest that the right hon. gentleman was nominated by the province of Prince Edward Island.

Mr. MACKENZIE KING: Possibly my hon. friend may be correct; I would be representing Prince Edward Island in this house at the time, but I am quite distinct in my mind that it was due at least in part to the fact that both Hon. N. W. Rowell and Senator Robertson knew I had been Minister of Labour and deputy minister for a number of years, and was interested in these matters, that the invitation came to be extended to me to be one of the advisers at the conference at Washington. My hon. friend the Minister of Labour read to the house the list of those present. As he was reading it my colleague the ex-Minister of Justice remarked that there was a very large number of representatives from Canada. I gave my colleague the answer as to why the list was so large, and I will give it to this house. It was assumed at that time, as all of us, on this side at least, assumed up to the beginning of this year, that matters respecting hours of labour came within the jurisdiction of the different provinces, and for that reason all the provinces of Canada were asked to be represented at the international conference in Washington. That, by the way, will explain how my attendance as an adviser came to be in connection with the province of Prince Edward Island; I was one of the provincial representatives duly authorized by the provincial government. I am quite sure that as representing Prince Edward Island at the time I would have taken and did take the position that the enactment of legislation respecting the eight hour day came within the jurisdiction of the government of that province.

At any rate I know that all those who were present, both the ministers of the crown representing the federal government at the time and the representatives of the several provinces, were of one mind with respect to which legislative body had the competent jurisdiction in the matter of dealing with hours of labour. While all were equally desirous of seeing an eight hour day generally applied in Canada, I know all were equally of the view that if it were to be part of the law of this land, it would have to be enacted via the provincial legislatures in the first instance. The procedure laid down by the international labour organization, as fashioned by the League of Nations, was that the draft conventions, in the first instance, would in federal states come to the federal government and later where necessary because of jurisdiction would be referred by the federal government to the different provinces.

Now may I point out that this meeting in Washington was held in 1919. It was December, 1921, before the Liberal administration took office; until that time either the Union government of Sir Robert Borden or the Conservative government of the Right Hon. Arthur Meighen was in office. If hon. members will look at the records of the privy council for that period they will find that the then Minister of Justice, Hon. Mr. Doherty, was responsible for the order in council which set forth the method the government of Canada should adopt with respect to the various conventions that came from the labour conference. I placed that order in council on record when I was speaking previously, so I need not read it now; it will be found in the remarks I made at the time the first draft convention was discussed during this present session of parliament. It distinctly set out—and this by a Conservative minister of justice—that the obligation of the federal parliament with respect to these conventions concerning hours of labour and the like was to transfer them to the competent legislative authority of this country, and that the competent legislative authority with respect to the eight hour day was the provincial governments. Hon. gentlemen will find that Hon. Mr. Doherty and the Conservative government of the day fulfilled the obligation, as they then understood it, by seeing that the draft convention respecting the eight hour day was referred to the various provinces. If other governments that have succeeded have taken a similar course it is because each and every one has been advised by the law officers of the crown that that was the proper method to pursue.

The Minister of Labour says these draft conventions were kept in cold storage from 1921 to 1930, and I can only speak for that period. From our point of view they were not kept in cold storage at all; they were referred, as the law officers advised the treaty obligations required, to the various provinces. During that period of time the Liberal government had many conferences with the provinces, some of which specifically considered the question of whether among themselves the provinces coulld not agree to see that as between themselves there would be uniformity

of legislation, particularly with respect to these matters which came to the provinces via the federal government, from the labour office at Geneva.

So that far from having draft conventions in cold storage we were doing our utmost during our time to see that they were enacted, that they were not allowed to remain mere recommendations, but that in so far as it was possible for the federal government to influence the provinces, the provinces would be influenced in the direction of carrying them out. As a matter of fact, most of the provinces had already enacted all that was requested. But since my hon. friend has spoken of cold storage, may I remind him that he and most of his colleagues have been members of the present government now for nearly five years, so according to his statement they have evidently been viewing these draft conventions as being left in cold storage. They are the ones who have taken the view that what ought to be done with these conventions was to keep them in cold storage up to the last moment because we have not had any of them brought before parliament until this year.

Mr. GORDON: It took us four years to get them thawed out.

Mr. MACKENZIE KING: I am afraid it will take longer than that to get the administration thawed out with respect to a good many questions which they ought to have considered by this time. But may I say what my hon. friend the Minister of Labour and all hon. gentlemen on that side know to be the fact, and that is that they themselves have stated—the Minister of Justice (Mr. Guthrie) has stated, and the Prime Minister (Mr. Bennett) has stated—that the view as set forth by the Hon. Mr. Doherty when Minister of Justice was the correct one with respect to these various draft conventions. They believed, and so stated to this parliament over and over again, that they were fully discharging every obligation that was imposed upon the federal government when they saw that these various conventions were referred to what they stated and believed were the bodies that had competent jurisdiction in the matter. It is only this year, only after the radio broadcasts that we have had, that this new theory is advanced, that this parliament has authority in the matter.

May I say this? When I made the statement the other day that we wished to see these measures enacted, I meant exactly what I said. I did not mean that we wished to see a lot of make-believe legislation placed on the statute books. What we wanted to see was eight hour day and other social legislation in a position in which it could be enforced in this country, a position which would not permit of any doubt arising over any question of jurisdiction or constitutionality. There can be no question at all that the provinces themselves are competent to enact this eight hour day legislation, and I think that that will be admitted by the government itself. The eight hour day could be made generally applicable from one end of this country to the other by agreement between the provinces with respect to it. Similarly it could be made generally applicable by the British North America Act being amended so as to give this parliament power to pass legislation of this kind, amended with the consent of the provinces, which I believe could be and would be obtained, and would have been obtained long before this had hon. gentlemen opposite not needed that thawing out process to which the Minister of Labour has just referred.

Mr. ARTHURS: What about the years from 1919 to 1930?

Mr. MACKENZIE KING: I say that if hon. gentlemen opposite have for the last five years entertained the view they now hold, their attitude is unpardonable in not having introduced this legislation long before this. Entertaining the view that they did, if they had had at heart at all the desirability and necessity of having legislation of this kind enacted by the federal parliament, I say that they should have and would have provided for it by having a conference with the provinces which would have brought about agreement in these matters, or would at least have brought about an amendment to the British North America Act that would have given this parliament power to act at the present time without any question or doubt arising in the matter at all.

I think it is perfectly clear just why, of necessity, the position that I personally at any rate have taken in this matter has been what it is. It has been what it has among other reasons for the one cited by the Minister of Labour this afternoon, that I was present at the international conference that met at Washington when this matter was discussed and the draft convention framed, and I know that it was the view of dominion and provincial representatives alike that the eight hour day legislation so far as Canada was concerned, if it was to be enacted and made effective, would have to be provincial legislation.

The government is now hanging its whole case in regard to the possibility of this legislation being intra vires on the slender thread that this house has approved the draft convention. It is not any longer on the ground of the draft convention itself. The Minister of Justice this afternoon told us that the situation had altered since this house had approved the convention. That is the slender thread on which all of this social legislation hangs. I do not wish to use a term that will belittle what is being attempted here, but I do say that in the absence of an authoritative basis, all that we are doing at the present time is putting ourselves in the position of passing so much make-believe legislation.

I am anxious, nevertheless, to have this legislation, such as it is, given the best possible chance that it can have before the courts, and for that reason I would not wish to prejudice its chances, however slight, by supporting the amendment which has been moved this afternoon by my hon. friend from Winnipeg North (Mr. Heaps). That amendment, as has been stated by the Minister of Labour this afternoon, is altogether beyond the scope or provisions of the draft convention, and consequently beyond the grounds on which the government says it has any authority whatever to deal with this matter. Assuming that my hon. friend's amendment were to pass and the bill were to be modified as he suggests and that later on it were to come before the courts, where the argument would be made which the government has urged this afternoon, that because this parliament has approved of the convention we have the power to legislate, and with nothing more than that to support it; what would become of the whole legislation? It would be thrown sky high on the simple discovery that there is nothing in the draft convention anywhere which touches the question of a six hour day or a thirty hour week.

Mr. HEAPS: Section 3 of the bill distinctly states that the hours are not to exceed forty per week.

Mr. MACKENZIE KING: I know, but I think my hon. friend will find that that is a matter of legal drafting, and the less experimenting there is at the present time with what is purely experimental the better perhaps it will be for what may happen in the long run. The chances of this legislation, from the point of view of some of us at least, are precarious beyond all words, but I feel that the chances would be utterly hopeless if we tried to go beyond what even the government itself says is the one slender thread upon which the whole of this social legislation hangs at the moment. For that reason, in order that whatever possible chance the government may have at all in the matter may not be spoiled utterly, I am going to vote against the amendment of my hon. friend.

Hon. R. B. HANSON (Minister of Trade and Commerce): Mr. Speaker, I had not intended to make any observations with respect to this bill had it not been for the remarks of the right hon. leader of the opposition. But in the course of his remarks he used the belittling term of "make-believe" with regard to this legislation, and that statement was the culmination of a long line of similar characterizations of the government's social legislation. In other words, before this house and before the country he challenges the sincerity of the administration with regard to all this legislation, and in particular the eight hour day bill, the day of rest bill and the unemployment insurance measure. I think that is not straining his position at all, that it is stating his position exactly. He challenges the sincerity of the Prime Minister above all, and that will be the cry in the country with respect to this class of legislation and with respect to these bills.

Well, if that be so, I wonder what the opinion of the house and the country will be with respect to himself when I recall to your mind, sir, and to the mind of the house and the country that as long ago as August, 1919, when the right hon. gentleman was elected leader of his party he put into the platform of that party—I say that he put it into the platform because he was the leading authority on social legislation in his own convention—the following plank: Limit hours of work to an eight hour day and forty-eight hour week along with a weekly rest of at least twenty-four hours. I ask the right hon. gentleman if that was make-believe, if that was put forward to fool the people and if that was put in as a test of his sincerity? The net result was that not a thing was done in all the intervening years.

Mr. MACKENZIE KING: If my hon. friend will read the whole of what was set forth he will see that that statement was accompanied by another statement that it would be in accordance with the intent of the labour articles of the league and the reference of these matters to their competent jurisdiction.

Mr. HANSON (York-Sunbury): That cannot be quite so because as I recollect it the Liberal convention was held in August of

1919 while the Washington convention did not take place until October or November of the same year. That argument simply will not hold water.

Mr. MACKENZIE KING: Read it, it is there.

Mr. HANSON (York-Sunbury): I have read it ad nauseam for the last ten years. Not more than twenty-five per cent of the Liberal platforms was put upon the statute books and it was never intended that any more should be put upon the statute books. I would point out that section 132 of the British North America Act was in existence in 1919. I do not recall whether the hon. member for Quebec East (Mr. Lapointe) had been a law officer previous to that time but he certainly stood high in the councils of the Liberal party and must have known, as any legal member of this house knew, that the provisions of section 132 were open to the leader of the opposition in 1919 just as they are open now in 1935. The only difference was that there had not been the ingenuity or thoughtfulness to put that section into effect in order to achieve something which could never be achieved without amending the British North America Act or having the unanimous consent of the provinces.

Did the right hon. leader of the opposition ever call an interprovincial conference during the nine years he was in power for the purpose of amending the British North America Act or to ask them to put into effect uniform social legislation?

Mr. MACKENZIE KING: Yes, he did.

Mr. HANSON (York-Sunbury): He did not have much success.

Mr. MACKENZIE (Vancouver): Did you?

Mr. HANSON (York-Sunbury): My recollection is that he had innumerable interprovincial conferences but never had any success along the lines I have suggested. I have not had the time to go back to review the proceedings of the conferences but I venture to say that the question of the adhesion to the principles of this 1919 Washington declaration was never brought up at any interprovincial conference. During this time most of the provincial administrations were Liberal. Since 1930 efforts have been made by this government at provincial conferences to obtain uniformity of legislation in certain matters which were said to be within the jurisdiction of the provincial legislatures. The most notable instance I call to mind at the moment is with respect to the jurisdiction over companies. My impression is that the provinces as they are at present constituted will never willingly give up jurisdiction in any matter. This is not because they want to seize or retain jurisdiction merely for the purpose of having jurisdiction, they do not want to give up any jurisdiction because they fear they might be doing something which would prove detrimental to their interests as provinces. This is the reason why nothing can be done through conferences with the provinces. They are not willing to release any part of what they consider the rights of the provinces as opposed to the central authority. I think if I were a member of a provincial government I would be bound to project the consideration of these constitutional questions along the same lines. As far as company law is concerned, I have always thought that it would be all to the good if the authority could be centralized and we could have a uniform law, but everyone does not agree with this point of view. We should have some regard for the opinions of others on questions which are, to say the least, controversial. The provinces have never been willing to give up jurisdiction over corporations. Even though no progress was made by my right hon. friend in connection with this matter, the way has been opened through the application of section 132 of the British North America Act. I do not think he should use the belittling term of "make believe legislation" and question the motives of his opponents who are triyng to do something for the working people of this country.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, from the remarks which have been made on both sides of the house it is quite evident that both major parties intend to vote against the amendment moved by the hon. member for North Winnipeg (Mr. Heaps). Therefore, I suppose that anyone who now stands up and says that he is going to vote for the amendment will be liable to the charge that he is playing the cheaper kind of politics in making an appeal to his labour constituents when he has full knowledge that this amendment will not pass. I shall have to take that risk because I intend to vote for the amendment. Briefly, I shall state my reasons for voting in this way.

The hon. member for Selkirk (Mr. Stitt) argued that the passage of this amendment would mean more unemployment rather than

the creating of more employment. He went on to say that those who worked only six hours would not be able to compete with those who worked eight hours. This argument must be at least one hundred years old and there are hundreds of pages of history dealing with it. At one time little children and women in the nail making industry in Lancashire were forced to work stripped to their waists because of the intense heat. They had to work twelve and fourteen hours a day and it was suggested that these women and children of eight to ten years of age should not have to work such long hours under such conditions. Hundreds of pages of the press of that day were filled with the same argument which we recognize as being offered this afternoon in a more moderate form. This afternoon the question was asked: What would happen to the industries? It was stated that they would all be ruined.

There is much truth in the statement that in order to be truly successful such legislation should be universal or nearly universal. This may be so but are we to wait forever until the other man or the other nation gives the lead? The hon. member for North Winnipeg stated that legislation was pending in the Senate of the United States which looks toward a six hour day. The former Minister of Justice (Mr. Lapointe) stated that a similar suggestion was being placed on the agenda of the next meeting of the League of Nations. What would be the effect in Washington and Geneva if this house passed the resolution proposed by the hon. member for North Winnipeg? Would it not give them a tremendous lead to go and do likewise? I care not who opposes the idea, or however able he may be, it is obvious that labour will never be able to take up the slack caused by the efficiency of machinery unless by means of shorter hours. No matter what other palliative you suggest, that is the crucial and final remedy—shorter and shorter hours for everybody.

It is said that the matter is one of provincial jurisdiction. Well, it is much harder to start anything like this under provincial jurisdiction than it is in the larger unit of the dominion, because the larger the unit the more likely will the step be successful. If it were done by a province they could not compete in the production of goods or of raw products with a neighbouring province or state in which there were longer hours. So that the larger the unit under which it is first begun, the more likely it is to be successful.

The Minister of Labour, the ex-Minister of Justice and the leader of the opposition said that the passage of this amendment would imperil the whole act, and from the arguments adduced I think that is probably correct. The passage of this amendment might result in the whole act being disavowed. But I do not think that is so very important, because the eight hour day is general throughout the country now. But if this amendment were adopted it would be important as a gesture; it would be significant if this house adopted the proposal and took a definite stand in favour of shorter hours. We are liable to be brought into the position recorded in one of the books of the Apocalypse or somewhere else—I forget precisely where. There was a great revival on the earth, threatening to assume considerable proportions and to be highly successful, and Satan gathered his satellites around him and said that something must be done about it. He said he would give a prize to anyone who would suggest a scheme which he might carry to the earth and put into practice. One devil said, "Send me; I will tell them there is no God." Satan replied, "You are a fool, for everyone knows that there is a God." Another devil said, "Send me; I will tell them there is no hell" and Satan replied, "You also are wrong, because everyone knows there is a hell and there are a good many people living in it now." Finally one wizened, old devil in the background said, "Send me; I will tell them there is a God and there is a hell and a heaven, but I will tell them there is lots of time." Satan replied that he was the man, and he was sent and the revival was defeated. That is the sort of danger we are going to be in. We are all in favour of shorter hours as an ideal; that is the standard we are aiming at; but we are going to stand by and say there's lots of time yet, and that will kill the effort, without any question. I do not for a moment suggest that the Minister of Labour is not sincere when he says that it is his ambition to see the proposal adopted. But the danger is that if we do not deal with it drastically and firmly it will never be done. I firmly believe that even supposing this bill were declared ultra vires parliament would be doing a splendid thing and setting an example to the rest of the world, if the proposal were adopted. It would be a step towards the rehabilitation of civilization, even if it resulted in the act being declared ultra vires, because as I say, it would be a gesture and would give a lead to the other nations of the world. The very news that Canada, the largest dominion in the British empire, had

passed such a law, would ring round the world and set an example to every nation in the empire, and in the world; it would induce the others to take a step in the same direction, and if all or even a fair number adopted it there would be no danger of the troubles referred to by the hon. member for Selkirk. Moreover, it would be much more far reaching than any of these tinkering pieces of social legislation which we have had this session. I do not say they were bad; they were worth while as far as they went, but of necessity they were extremely limited in their scope and more than doubtful of success. If we adopted this proposal however it would lead to other nations taking the same action, because people pay a good deal of attention nowadays to sentiment, and news of that kind would attract the attention of a world waiting for bold leadership.

Hon. IAN MACKENZIE (Vancouver Centre): We have witnessed a remarkable contest in unrestrained verbal vigour on the part of two ambitious ministers on the front benches this afternoon, and the statements of the minister who spoke last seemed to me to be atrocious. In the first place he accused us of challenging the sincerity of the administration with respect to some of their social reform measures, whereas only a week ago his own late colleague on the treasury benches, the hon. gentleman who preceded him as Minister of Trade and Commerce, himself challenged the sincerity of the government concerning their social reform legislation. It therefore does not lie in the mouth of the new Minister of Trade and Commerce (Mr. Hanson) to make such an accusation against us when his predecessor in office, who was kicked out of this administration because he believed in social reform, according to the correspondence, has challenged the government in this respect. If you analyse that correspondence you will see that he was compelled to leave the administration because his attitude towards certain public questions was not countenanced by the government of which he was a member, and now the new Minister of Trade and Commerce tells us that we are impugning the sincerity of the administration.

The hon. gentleman has advanced some strange and startling doctrines of law. He said that we had the Liberal convention in 1919 and that the international labour convention did not take place until October of that year. May I read two brief extracts from the resolution in regard to the labour question, which resolution was moved at that convention:

[Mr. Neil.]

Resolved, that the committee recommends that the national Liberal convention accept in their entirety as a part of the Liberal platform, in the spirit they have been framed and in so far as the special circumstances of the country will permit, the terms of the labour convention and general principles asociated with the League of Nations and incorporated in the conditions of peace.

And No. 4, dealing with the subject matter of this specific bill, recommended the adoption of the eight hour day and forty-eight hour week as the standard to be aimed at where it had not already been attained. As a result of this action, the province of British Columbia from which I come, with a Liberal government in power, was the first province to pass eight hour legislation. The provincial authority was invoked as the result of action taken at the meeting of 1919.

Mr. GORDON: The province of Ontario passed eight hour day legislation in 1914.

Mr. MACKENZIE (Vancouver): Yes, but not nearly as comprehensive as the legislation adopted in British Columbia.

Mr. REID: It was never enforced.

Mr. MACKENZIE (Vancouver): The legislation now before us in this bill is not as effective as the provincial legislation which we have at the present time and have had since 1923 under the administration of a Liberal government in the province from which I come. My hon. friend the Minister of Trade and Commerce said, "You had section 132 of the British North America Act in 1919 why was it not invoked during nine years of Liberal rule?" Has he forgotten what his own leader, the Prime Minister, said? Has he forgotten the declarations of the Minister of Justice, which have been placed on the record during the course of the debate on this legislation? Has he read the letter which the Prime Minister sent to the various provinces in August, 1934, differentiating between exclusive and concurrent jurisdiction among the provinces? Yet, in defiance of the opinion of the Right Hon. Mr. Doherty; in defiance of the opinion of the present Minister of Justice; in defiance of the opinion of the Minister of Justice of the Liberal government; in defiance of the opinion of his own leader, the Prime Minister; in defiance of the edict of the Supreme Court of Canada, the Minister of Trade and Commerce, with his newly acquired constitutional learning, refers us to section 132 of the British North America Act and asks us why we did not invoke it when we were in power.

That was not the crux of his crimes, the greatest height of the dialectic atrocity which was committed by my hon. friend in the course of the debate. He said that the present administration had had various conferences with the provinces. There was never a conference held by this government with any province since 1930 but the government met the provinces with loaded guns. There was never a conference held between this administration and the provinces but an ultimatum was submitted to the provinces as soon as their representatives arrived here. A conference lasting a day or a day and a half with each province is absolutely useless.

Sir GEORGE PERLEY: When the hon. member makes a statement like that, he ought to give some proof of it.

Mr. MACKENZIE (Vancouver): I know whereof I speak and I have several sources of authority with regard to the situation. Some of the conferences were terminated very abruptly as a result of an ultimatum being laid down by this administration as to the course to be pursued.

Now we have a new doctrine. The Minister of Trade and Commerce made this statement: "The provinces will never willingly give up their jurisdiction and you cannot do anything by conferences." Let us analyse that statement. The provinces will never willingly give up their jurisdiction; therefore let us pass this legislation; let us bludgeon the provinces into submission; let us take away from them the jurisdiction which they have claimed as their right since the days of confederation. That is done as a result of the new constitutional doctrine that is preached here to-day by the new Minister of Trade and Commerce who is in direct conflict with every constitutional authority who has spoken from either his own party or indeed from this party and all the authorities since 1919. He is also in direct conflict with the opinions at least inferentially expressed by his leader the Prime Minister in a letter which he sent to the provinces in August, 1934.

Had the hon. member for North Winnipeg (Mr. Heaps) been moving a general resolution in the house in favour of a six hour day and a thirty hour week I should be very glad to support such a motion. I am in favour of and believe in shorter hours, but the amendment couched as it is and moved at the present time, takes away even that faint possibility of jurisdiction which is being summoned up by this administration to buttress its eleventh hour repentance in regard to this make-believe reform legislation.

Mr. ANGUS MacINNIS (Vancouver South): I wish to say just a few words in support of the amendment moved by the hon. member for North Winnipeg (Mr. Heaps) and seconded by me. It would be well if the house assumed that the leader of the opposition (Mr. Mackenzie King) was to-day quite correct as to the attitude that had so far been adopted in this country in regard to legislation of this kind, that is that it was a matter of provincial jurisdiction. However the government now seems to have changed its mind and has come to the conclusion that in certain particulars the federal parliament has some jurisdiction. Whether that turns out to be the case, I am not greatly concerned. I hope it turns out that the government is correct, but if it is not, then I believe if we have a Liberal government after the next election they will be bound to try to find some ways and means of either bringing this subject under federal jurisdiction or getting the consent of the provinces to legislation of this kind; I am quite satisfied they will have to do that.

As regards the point raised by the Minister of Labour (Mr. Gordon) that this amendment if adopted by the house would infringe upon the legality of the legislation, I do not think that is so. Of course I have not a legal mind or training, but we know from experience our legal friends are wrong just about as often as are the rest of us, so there is no reason why even a layman should not give an expression of opinion. This legislation is based not only on the draft convention of the labour organization but also on the treaty of Versailles itself, and the Prime Minister (Mr. Bennett), if my memory serves me aright, placed more emphasis on the treaty than he did on the draft convention. If parliament has jurisdiction over an eight hour day, then it has jurisdiction over a day of six hours or five hours or any number of hours. The Minister of Labour mentioned that the trades and labour congress had asked for the passing of this legislation. That is quite correct; the trades and labour congress have been for the last fifteen years or so advocating the passing of an eight hour day and a forty-eight hour week, but in their various conventions during the last four or five years they have put themselves on record as being in favour of a thirty hour week and a six hour day. So

while they have been asking for the minimum of the convention of the labour organization, they have realized that will not meet the present situation and we must go beyond it.

The hon. member for Selkirk (Mr. Stitt) in his remarks on this debate mentioned that the amendment was a most laudable one but that it could not be put into effect; that we must wait until some other country took the lead.

Mr. STITT (Selkirk): That is not what I said. I said that we had to wait for world agreement.

Mr. MacINNIS: At the rate at which we are proceeding toward world agreement, it will be a long time to wait until some other country takes the lead, so that my hon friend is in as bad a position with the correction as he was before.

Mr. STITT (Selkirk): That is a matter of opinion.

Mr. MacINNIS: Yes, and the opinion of the hon. member for Vancouver South is just as good as that of the hon. member for Selkirk.

Then he raised the point, as all good representatives of capital do, that to put a six hour day into effect would cause industries to go into bankruptcy. Well, industries are going bankrupt as matters stand now, and if we are going to take the position that a shorter day will bankrupt them, why not make it a ten or a twelve hour day and put them all back on their feet again? I am not sure whether my hon. friend would advocate that.

Whether the house agrees with this amendment or not, the day is not far distant when it will have to take adequate steps to deal with hours of work more drastically than any action we have in mind now contemplates, and I believe we should give our support to this amendment.

Amendment (Mr. Heaps) negatived.

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): Before the main motion is put I should like to say a few words on another aspect altogether of this problem. The constitutional issue has been threshed out at some length; the Prime Minister (Mr. Bennett) himself very lucidly explained the situation, therefore there is nothing I can add to what has been said in that regard. What I wish to speak about is the action, or rather the inaction, of the Liberal opposition regarding these social and reform measures that we have introduced. As I understand it, it is the duty of the opposition to try to make the legislation brought in by the government as nearly perfect as possible. It has always been so in all the years that I have been here; that has been one of the things the opposition have tried to do. But in this instance what have the opposition done? They have simply criticized everything that was brought in and then voted for it.

Mr. McINTOSH: That is bothering you.

Sir GEORGE PERLEY: It is not bothering me at all. I only want to put before the house and the country the position taken by hon. gentlemen opposite so that they will understand it.

Mr. McINTOSH: That is where we fooled you.

Sir GEORGE PERLEY: Never in my long experience have I seen an opposition adopt such an impossible and untenable position. After all, they are following the same plan this year as they have in all the sessions since this government have been in power. I will not call it a policy, but that is the plan that they have adopted in regard to the measures that have been brought in—the Bank of Canada Act, the railway legislation, and all the others. They have consistently from the beginning, day by day and month by month, criticized in very shape and form—

Mr. POULIOT: I am against it.

Sir GEORGE PERLEY: Yes, my hon. friend is against everything as a rule.

Mr. POULIOT: And rightly so.

Sir GEORGE PERLEY: The Liberal opposition, I submit, have made no constructive suggestions throughout this session to try to help the country or the people who have been having such a hard time during these years of depression—nothing whatever. We all agree that we have had a difficult time in this country; there is no difference of opinion on that subject. Many people are suffering now from the effects of the depression and many are unemployed, but we know this condition prevails in very country in the world. The Liberals know, as everyone knows, and as I am sure they will acknowledge, that Canada has come through these trying years better than almost any other country in the world. But my hon. friends opposite perhaps think this is not generally understood.

Mr. POULIOT: I am sorry to interrupt, but this has nothing to do with the bill.

Sir GEORGE PERLEY: I am speaking about the attitude of the opposition regarding all these measures of social reform brought in by the government this year. They have consistently criticized every measure, but voted for it. I suppose the right hon. gentleman and his followers still hope that the people do not realize the position they have taken and will vote for them. In that I submit that they are making a great mistake. We have brought in these reform measures in an endeavour to help this country and the people of this country. The leader of the opposition (Mr. Mackenzie King) has stated in this house that he will not permit these social reform measures to be made an election issue, but the right hon. gentleman will find that they will be the election issues. This government has brought them in to help the people, and the Liberals have done nothing but criticize. They will be the election issues, and the leader of the opposition cannot help himself.

Mr. LAPOINTE: That is an admission.

Mr. McINTOSH: We have an issue now.

Sir GEORGE PERLEY: The right hon. gentleman says that the Liberals have always favoured social legislation. They have talked about it through the years, but they never did anything at all. Even when they were in power and had the opportunity, they did nothing. Now they sit still, they make light of our efforts, but they support all our measures. Why do they support them? Because they dare not oppose them. That they believe we have been doing the proper thing, that we have brought in good legislation which they dare not oppose but which in order to save their faces they must criticize and make light of, can be made evident by reference to what has been said during these debates. I shall quote only one of the many that might be mentioned, namely the statement made by the ex-Minister of Justice (Mr. Lapointe) on March 19, as reported on page 1837 of Hansard. He said:

> I think it is glorifying this bill to oppose it in this way. I do not think there is anything in this bill. It is like the rest of the program of reform, and the quicker we pass it the better.

Yes, the quicker they agree with it the better. They dare not oppose it; they can only try to belittle it. All I can say is that if the hon. gentleman does not like our legislation, if he does not like our way—

Mr. LAPOINTE: I like you. I like my right hon. friend.

Sir GEORGE PERLEY: Thank you. But what the people of this country want is a man of courage. The Prime Minister has shown that he is a man of courage. He has brought in these measures of social reform; but what do we get from the hon. member for Quebec East and other hon. gentlemen opposite? Simply cold blooded cynicism. They say in effect: "We cannot do anything about them; they are good measures; all we will do is try to belittle them, but we have to vote for them whether we like it or not." I submit that the policy of the Liberals during this session has been one of simple negation. They have done nothing. But what the country needs and wants and will support is a man of high courage who endeavours to do something to better the condition of the people, instead of sitting still and doing nothing as my hon. friends opposite wish us to do. That is the lead given by the present Prime Minister to the people of this country, and I feel sure he will get a favourable verdict from the voters when they go to the polls.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): My right hon. friend the acting leader of the government (Sir George Perley) has said something about the attitude of the opposition. In reply may I say a few words about the attitude of the government?

Sir GEORGE PERLEY: I am sorry to interrupt, but has not my right hon. friend spoken already?

Mr. MACKENZIE KING: I have spoken on the amendment. My right hon. friend has made a long speech condemning me for my silence, and now when I rise to speak he takes objection to my saying anything.

Mr. McINTOSH: He wants the last word.

Mr. MACKENZIE KING: May I say that if ever there was an example of an administration throwing up the sponge we have had it this afternoon. What have we had from hon. gentlemen opposite as their cry from the beginning of this parliament, the one they hoped to make the most telling before the people of the country? It was that the Liberal opposition did nothing but oppose their measures, that we were wasting the time of parliament by opposing the legislation brought in; no matter how good it was, all we could do was to find fault. Now, when my hon. friends bring in legislation which the leader of the government says is good, intended to help the people, he condemns us because we do not oppose it. He said it was our business to try to make the legislation perfect. But when introducing it he told us that it was perfect; why then does he have to look to the opposition to make it perfect? That is a new role for the opposition, when

the government feels obliged to admit that the legislation which it introduces is imperfect and that it is our duty to make it perfect.

Sir GEORGE PERLEY: Not at all. I may say to the right hon. gentleman that if we had not done that when we were in opposition a great many of his measures would have been very much worse than they were.

Mr. MACKENZIE KING: I am prepared to allow my right hon. friend all the field he can take. But as to what he has just said, if examined closely, it will not be found there was need for much in the way of improvement of anything brought in by the Liberal government.

My right hon. friend says we have not been consistent in our attitude. May I recall what was said by myself on the address, after we had heard the speech from the throne, in which we were advised that the government were going to bring in this social legislation. I think it will be within the memory of my right hon. friend and hon. gentlemen opposite that I said that the sooner the legislation could be brought in, the sooner it could be put through this house and the sooner we could get to the country, the better it would be for all concerned; that what we of the opposition believed was needed was not taking up the time of parliament in fruitless discussion, but arriving as quickly as possible at the moment when the people themselves would have the right to say who should govern the country. That was the position we then took, and I offered the leader of the government at that time to ask hon. members on this side of the house to refrain from any discussion on the address. Does my right hon. friend complain that we did not debate the address at great length? In previous years I have heard hon. gentlemen opposite complain that we took up too much time discussing the address. Now when we allow the address to go almost without discussion, in order to hasten the moment when the people may have a chance to say who should govern the country, hon. gentlemen opposite begin to condemn us for that.

I recall also that I made the suggestion that if hon. gentlemen opposite would bring forward their legislation we would do all we could to expedite it, even to the extent of promising to let all supply go through very rapidly. We wanted to get on with the social legislation; we did not want the government to delay bringing forward their social legislation by wasting a lot of time on estimates and other matters such as private members resolutions. That was what I said at the time, but the government had not their social legislation drafted. No wonder the acting leader of the government says the legislation needed perfecting; it was not even drafted at the time we had the declaration that we were to have this social program put before us. It was partly drafted, but not completed. More than that, the acting leader of the government will remember that I indicated other ways in which I thought the business of the session could be expedited, all based on the ground that so far as this social legislation was concerned we on this side of the house were in favour of the principle it embodied, and that the only question that arose in our minds, which, however, was the question that lay at the bottom of all else, was whether this house had jurisdiction in the matter.

What was a further step suggested by the opposition? It was that the opinion of the supreme court of this country should be obtained as quickly as possible, so that all doubt might be removed as to whether or not this parliament was the body competent to deal with this legislation.

Sir GEORGE PERLEY: The right hon. gentleman knows perfectly well that the supreme court could merely give an opinion on such a subject.

Mr. MACKENZIE KING: It would remove sufficient doubt to justify this parliament in proceeding to consider and discuss the legislation in detail. But may I ask the acting leader of the government why, within the last year, his government referred three different statutes to the supreme court in order to get their opinion, if that opinion would not help remove doubt. Evidently the right hon. gentleman has forgotten for the moment that the enactment with respect to the supreme court contains specific clauses setting forth that one of the purposes of the court is to permit of a judicial opinion being obtained which will serve to remove any question of doubt which may arise as to the jurisdiction of the federal parliament or of a provincial legislature. If provisions were not there there might be something in what my right hon. friend says, but this parliament in the past clearly forsaw that questions were likely to arise from time to time with respect to jurisdiction, and that it was not wise to waste the time of parliament or the money of the country or, what is more important than all, to run the risk of completely disappointing all those on whose behalf parliament was supposed to be legislating, by proceeding in the dark, by proceeding in direct opposition to the grounds on which heretofore it has been held that the very opposite was the case to what is now being assumed to be

correct. When my right hon. friend says we have not put forward any constructive suggestions, may I say to him that there could not be a constructive suggestion more to the point than the suggestion that in the first instance, or as speedily as possible, this legislation ought to be referred to the supreme court in order that the question of the competency of this parliament to deal with it might be definitely decided.

Might I ask the right hon. leader of the government what he wants the opposition to do from now on, for the rest of the session? Does he want us to oppose everything he introduces? Is he going to say, with respect to the rest of the legislation to be brought in by the government, that it is not perfect and that it is our business to be here to perfect it?

Sir GEORGE PERLEY: No.

Mr. MACKENZIE KING: May I say that as I see it the duty of the opposition at the present time is to do all in its power to give the people of this country the opportunity to say who is to govern from now on. When the government introduced this legislation they did not expect that they were going to put it through at all; it was a make-believe business from the start. Nothing else can describe the attitude of the government, despite what the Minister of Trade and Commerce (Mr. Hanson) has said this afternoon. When there was a broadcast proclaiming this social legislation; when the government in the speech from the throne announced these various social measures, hon. gentlemen opposite expected that the opposition were going to oppose all that legislation, that as might well have been assumed we were going to take the ground that this government had been defeated in by-election after by-election, that it had lost the confidence of the people of this country and had no right to continue to carry on, and that we would put forth strenuous opposition to these measures the mere introduction of which would have served the purpose of the government. After we had opposed them for a certain length of time, suddenly this parliament would have been dissolved. We would then have had the government going to the country for a mandate to put through this social legislation which the opposition had not permitted them to put through at this session.

Sir GEORGE PERLEY: That is all imagination on the part of the right hon. gentleman.

Mr. MACKENZIE KING: No, it is not imagination.

Mr. COTNAM: A stump speech.

Mr. MACKENZIE KING: If my right hon. friend had been sitting where I am standing, and had been able to see his own countenance and that of his colleagues at the time I made the statement that we did not intend to oppose this legislation but that we wanted to see it put through as rapidly as possible, he would have known that there was no imagination in what I am saying at the present moment. More than that, speaking of imagination, I do not think I am unduly employing that faculty when I say that when the cabinet met this afternoon they quite evidently had these matters under discussion, and that they came to the conclusion in cabinet council that, after all, this social legislation was not making quite the impression that it was expected to make, and that the attitude of the opposition in not opposing it had more or less taken away some of the virtue they thought it was going to possess as a result of strenuous advocacy by the government and opposition on the part of those on his side.

Mr. HANSON (York-Sunbury): You flatter yourself.

Mr. MACKENZIE KING: Just a moment. They decided that the time had come; that they must not wait until a general campaign but that before this parliament was over, in fact right now, in connection with this eight hour day bill, they should seek to make it appear to the country that the opposition, in not opposing this legislation, was belittling it, ridiculing it and the like. If the legislation amounts to anything—

Mr. SPEAKER: May I point out to the right hon. leader of the opposition that it is a little after six o'clock.

Mr. MACKENZIE KING: I must apologize, but I think I have said all that need be said.

Some hon. MEMBERS: Question.

Motion (Mr. Gordon) agreed to, and bill read the third time and passed.

Some hon. MEMBERS: No opposition.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house in committee of supply, Mr. Gobeil in the chair.

The Canada Grain Act, including management, operation and maintenance, also equipment of elevators, administration of, $1,981,006.90.

Mr. COOTE: Mr. Chairman, a few years ago the Canada Grain Act was amended so as to prohibit the mixing of wheat in grades Nos. 1, 2 and 3 northern, and before this vote is carried I hope the minister will tell us what steps are being taken by the grain commission to see that that provision of the Canada Grain Act is being carried out.

While I am on my feet there is another matter I should like to bring to the attention of the committee. Even if those provisions for the prevention of mixing may be carried out, another practice apparently has grown up which lowers the standard of No. 1 and No. 2 northern in particular so far as shipments overseas are concerned. It is quite a common practice, I am told, for cars of No. 1 and No. 2 northern wheat which are sampled at Winnipeg to be tested for protein content by the grain companies. Word is sent ahead to the terminal at Fort William, and if this wheat is of a high protein content in many cases it is binned by itself and certain bins apparently are held for what is called selected No. 1 northern, high protein. The result of this practice, it seems to me, must be to lower the grade of the bulk of the wheat that goes out to our overseas customers. I assume that most of this selected wheat is shipped to the United States. I do not know whether the commission are aware of what is going on, but I take it for granted that they are. I should like to know whether they approve of this practice, whether they have any way of stopping it, and whether they think it should be allowed to continue. I have in my hand some of the loading orders that are issued by one of the grain companies at Fort William. They are really instructions to their elevator man to load so many thousand bushels of selected No. 1 northern into a certain hold of a steamer, and I have seen enough of these orders to convince me that this is quite a common practice.

There is another matter with which I might as well deal while I am on my feet, and it is in connection with the grading of durum wheat. I do not think the law prevents the mixing of the various grades of durum wheat, and possibly there is a great deal of mixing being done. The factor that determines the grade of durum wheat is mainly the amount of spring wheat it may contain. The definition of No. 1 durum is set forth in the act. It may contain a maximum of five per cent of spring wheat, and that is increased up to an additional five per cent for the lower grades. But whatever grades of durum are received in the private terminals, I do not think there is very much durum wheat shipped out except that which goes out as No. 1. So it does appear that there is more No. 1 durum going out than there is going in. The average quality of the No. 1 durum which is being shipped out cannot in that case be as high as it would be if the mixing were not permitted, and the elevator companies had to ship out the same quantity of each grade that they took in. It does seem as though there was a great deal of mixing of durum wheats, and it is almost self evident, I think, that it would be to the advantage of the grower of the high grade durum wheat if the elvators were not allowed to mix the lower grades with it and then put it all out as high grade wheat. I am told that in some of the terminal elevators they have machines for taking out the ragweed, I think it is. They use water to float this weed seed out of the wheat, and the result is that the wheat which has been through the water carries a pretty heavy percentage of moisture, but they are able to mix it with the No. 1 straight durum and still have a moisture content of the whole mixture that is not higher than that allowed under the act.

These are two questions particularly that I wish the minister to deal with. Are these practices being carried on; if so does the commission see any objection to them, and have they any way of dealing with the matter to see that the average grade of the wheat going out of the terminal, in the case of both northern wheat and durum wheat, is as good as that of the wheat that goes in under the different grades? Further, do the commission approve of the practice of special binning for high protein wheat and the mixing of the durum wheat which I believe is going on in the private terminals at Fort William?

Hon. R. B. HANSON (Minister of Trade and Commerce): The hon. gentleman has put on the record a considerable number of questions, and I shall deal with them in the order in which he has raised them.

First with respect to the amendments which were made to the grain act last year in relation to garnet wheat, it is the intention of the government so far as I am aware to allow the legislation to go into effect, but the matter has not been finally concluded and consideration is being given to representations which have been made from time to time during the last few weeks as the time approaches when the amendments to the act are to go into effect.

With respect to the second matter to which my hon. friend alluded, namely, the special binning of wheat at terminal elevators, I am advised that a perusal of the grain act will show that this is a perfectly legal process under the provisions of the act itself. This special binning of select wheats by terminal elevators is legal under the grain act and is controlled by the commissioners, in so far as the special bins leased for this purpose have to be authorized by them. It would not appear that this matter is of any considerable importance, because out of a total of 62,000,000 bushels which came to the head of the lakes during the past season, only 820,000 bushels have been so binned. This is only about one and one quarter per cent of the total. This facility of special binning is open to all interests, including the Canadian mills. In order to specially bin wheat it is necessary for the purchaser to obtain the owner's consent, thereby assuring an equitable return of the premium paid in this connection. An objectionable practice which was stopped in 1930 was that of permitting the diverting of special wheat without the owner's consent and frequently without any premium compensation being paid to the owner. I am advised by the commission that the only possible objection to this practice is that it more or less reduces the average quality of the outgoing shipments, that is the shipments which go to the export trade. However, this has not assumed such proportions as to make it important. Furthermore, the principle of the owner of the wheat disposing of it to the best advantage has not yet been set aside by the grain act.

With respect to the third matter to which the hon. member referred, I understand that the mixing of durum wheat is legalized by the statute. The commission had applied to the grain standards committee for the setting up of an out-turn standard, but this was rejected.

Mr. COOTE: I should like to know what steps are being taken or have been taken by the grain commission to see that no mixing occurs in the terminal of numbers 1, 2 and 3 northern?

Mr. HANSON (York-Sunbury) I am advised that they weigh out the elevators annually and check that with the warehouse receipts. This would appear to be all that they can do. I am further advised that the practice of mixing durum is not very general although it is permitted to a degree.

Mr. COOTE: This matter was discussed in the committee, where it was contended that if mixing was prohibited the services of an army of inspectors would be required to see that the provision was carried out. I have been asked on more than one occasion to inquire if the commission really knew whether mixing was going on.

Mr. HANSON (York-Sunbury): I am advised by the chairman that he is personally satisfied that there is no mixing of the grades to which the hon. member alluded. Unless the hon. member has evidence to that effect I think he should accept the chairman's statement.

Mr. COOTE: I have no evidence that it is being done, but I should like to know if the commission could tell us at any time the number of bushels of each grade which may be shipped into the terminals at the head of the lakes and the number of bushels which may be shipped out?

Mr. HANSON (York-Sunbury): I do not know that that information is available at the moment, but it will be produced by the chairman.

Mr. COOTE: Some time ago I had a question on the order paper asking for the number of bushels of each grade of durum wheat which was graded into the terminals and the number of bushels graded out. As I remember the answer, it was to the effect that the commission did not have that information.

Mr. HANSON (York-Sunbury): I do not recall the question, but I am advised by the chairman of the commission that that information can be obtained and I will see that the hon. member gets it.

Mr. COOTE: Can that be given for the private terminals?

Mr. HANSON (York-Sunbury): No, only the public and semi-public.

Mr. COOTE: I understand that the government elevator at Port Arthur has been leased. Is it being run as a private or as a public terminal?

Mr. HANSON (York-Sunbury): As a semi-public terminal.

Mr. COOTE: The figures would be available as to the in-turn and out-turn of that elevator?

Mr. HANSON (York-Sunbury): Yes.

Mr. COOTE: Can the minister give us the terms upon which that elevator was leased?

Mr. HANSON (York-Sunbury): I think the answer to that question was put on the record a short time ago.

Mr. DONNELLY: I understand that numbers 1, 2 and 3 northern are checked into these terminal elevators and then they are weighed out at the end of the season, and if the weigh-out does not come up to a certain percentage, or if it does not balance within a certain percentage, the amount which happens to be over is confiscated or taken away. Could the minister advise the committee the leeway allowed and the amounts which have been confiscated in different years?

Mr. HANSON (York-Sunbury): I understand the allowance is one-quarter of one per cent. I shall get the other information.

Mr. DONNELLY: Is the terminal elevator at Port Arthur run by the government at the present time, or has it been leased to a private individual?

Mr. HANSON (York-Sunbury): That elevator has been leased.

Mr. DONNELLY: When?

Mr. HANSON (York-Sunbury): August 1 of last year.

Mr. DONNELLY: What rent is being paid?

Mr. HANSON (York-Sunbury): Approximately $40,000 per annum.

Mr. DONNELLY: In the checking in and out of numbers 1, 2 and 3 northern at this elevator, has there been an overage, and if so, how much?

Mr. HANSON (York-Sunbury): We have no record of any overage.

Mr. DONNELLY: If it did not come up to the one-quarter of one per cent you would not have a record of the overage?

Mr. HANSON (York-Sunbury): The commission would have a record.

Mr. DONNELLY: But there was no overage?

Mr. HANSON (York-Sunbury): No.

Mr. DONNELLY: Could the minister give me the number of bushels of wheat which will be affected by giving a special grade to garnet wheat?

Mr. HANSON (York-Sunbury): There are approximately 50,000,000 bushels of garnet wheat in the country at the present time, but I do not know how many bushels there will be on July 31.

[Mr Coote.]

Mr. SPENCER: I should like to ask the minister a question in connection with the strike of farmers in the Myrnam district in Alberta about a year ago. As the minister no doubt knows, this district is in the northern part of the province where there is a fairly good fall of rain. It occurs quite often that the grain comes out tough and the people in that vicinity were of the opinion that they were not getting a fair deal from the elevator companies. Practically all the farmers in that district went on strike and refused to deliver their grain. The board of grain commissioners were informed of this trouble and I believe went up to the district in an effort to settle the difficulty. I should like to know the findings of the committee and what was done in an effort to settle the difficulties which the farmers were facing at that time.

Mr. HANSON (York Sunbury): I do not think the hon. member is referring to Myrnam; I think he means the strike at Mundare, because the other was the year before.

Mr. SPENCER: I am referring to the one at Myrnam; the other is in the district represented by my hon. friend from Vegreville.

Mr. HANSON (York-Sunbury): I have no information regarding the strike at Myrnam, but I have regarding the strike at Mundare in October, 1934, and that I will place at the disposal of the committee. With reference to the strike that occurred the previous year, I will get the information.

Mr. MOTHERWELL: Each year that this item has been under discussion up to the present time I have inquired of the previous minister whether there was any evidence of the restored mixing of wheat grades. The practice was general years ago. The answer which that minister gave was invariably, no. Well, each year I hear further reports of it. I am not making any charge just now but I want to put the government on their guard. It is easy to start these practices but difficult to stop them. These practices invariably begin under Conservative governments and then it takes the succeeding government nearly all their time in office to stop them. In 1930 an attempt was made by some of us to prohibit the mixing of grades and a compromise was reached, prohibiting mixing in the four top northern grades and permitting it in the rest of the grades. As a matter of practice anything that is not prohibited under the grain act is usually done; that is the substance of the matter. It is not particularly made illegal, but it is not prohibited and

therefore it is gone ahead with. I have grave suspicions and pretty reliable information that the law is being broken with respect to the four top grades. I did not hear the first remarks of the hon. member for Macleod (Mr. Coote), but I understood him to be drawing attention to the special binned top grades. These grades are isolated and special binned for their quality and are sent to the United States, where a premium is paid therefor. That is exactly the way it started before, only it was with carloads; carloads were switched and cut out and sent somewhere—usually to our millers. To the extent that that was done, what was exported overseas was correspondingly impoverished in quality.

Mr. HANSON (York-Sunbury): I read to the committee a statement from the grain commission with respect to this question of special binning. I will not repeat the statement because the hon. member will read it in Hansard. I understand that this is quite legal under the act of 1930 which I believe the hon. gentleman himself piloted through the house.

Mr. MOTHERWELL: I did not pilot it.

Mr. HANSON (York-Sunbury): I take that back; it was the former Minister of Trade and Commerce.

Mr. MOTHERWELL: I do not know that special binning is absolutely prohibited, and anything that is not prohibited the elevators always do if it suits them. But special binning, I understand, is being done on the protein basis. High protein cars are specially binned, and a guarantee of a certain protein content is sold to the millers in the United States, who pay a premium thereon. When the wheat is bought from the farmer he does not know what the protein content is and it is nonsense to say that the premium goes to the producer; it goes to the mixer or special binner. Furthermore, it impoverishes the great bulk of the wheat that goes overseas, where we have the keenest competition. It certainly violates the spirit of the act when you isolate the best type grades with the highest protein—and the value of our wheat is set by its protein content and quality of protein. That is what they are buying—protein—and when you isolate a lot of that and send it to one market, giving that market our choice wheat as to protein, you impoverish the great bulk of the wheat that goes overseas when the price is set. The more that is done the more you impoverish the rest of the wheat, and that is a violation of the spirit of the act. I understand it is being done right along.

Mr. HANSON (York-Sunbury): No grain is special binned without the consent of the owner, and that ensures the premium to him if there is one. As regards the quantity of wheat special binned during the past season, it has been only about one and one-quarter per cent of the total output, so that it is not very large. As regards my hon. friend's point, that there is no guarantee that the premium goes to the producer, my information is that there shall be no special binning under the act without the consent of the owner, whoever he may be, whether producer or anyone else. He gets the premium, and that is the intention.

Mr. VALLANCE: No; the minister is entirely wrong. The grower does not get it.

Mr. HANSON (York-Sunbury): I said owner.

Mr. VALLANCE: I contend that the grower does not get it. Once it passes out of his hands the owner gets the premium because of the privilege of special binning. Under the act it is regrettable that we do not grade our wheat according to protein content, and until that is done you cannot pass the premium on to the grower. The present abuse cannot be prevented under the act as it stands; it is quite legitimate. My point is that you cannot pass the premium on to the grower. I have no doubt that the percentage which the minister has mentioned—one and a quarter per cent—is correct, but still it deteriorates the great bulk of the wheat to that extent. If you take one and a quarter per cent of high protein content out of the wheat the rest of it deteriorates to that extent. I appreciate the point the minister is trying to make, but I contend that you cannot get the benefit to the grower; it goes to the man who buys it from the grower. The elevator may special bin it at the terminus, and that cannot be prevented under the act.

Mr. HANSON (York-Sunbury): There is a good deal in what the hon. gentleman says: it all depends on who the owner is. In some instances the commission man probably does not pass it on, but I do not think that is the grain commission's concern. They cannot be charged with the distribution of the premium, but there is a premium and it goes to the owner, whoever he may be. As regards the degradation, by reason of this special binning, of the quantity that goes into the export trade, I agree with the hon. gentleman. But it is permitted by the act and I do not think that any great harm is done where the quantity is

so small. I believe that is the opinion of the commission. Of course, if it assumed larger proportions it would be a different matter.

Mr. DONNELLY: Two years ago the different wheat exporting nations—Canada, the United States, the Argentine, and Australia—met at Rome and the secretary of our high commissioner in London attended as Canadian representative. At that meeting it was decided that all exporting nations should have a quota. Well, they did not decide at that time at Rome as to what the quota would be, and they adjourned to London. While they were there, they decided what the quota for the different nations would be. Our representative I understand was a lawyer from Regina. The quotas were set, but everybody came home and they practically decided to break the agreement; at least no one of whom I have knowledge has kept it. We did not sell our quota, but the Argentine republic sold theirs and more than theirs. Then we lent them some of ours, but the Prime Minister told us that we were to get this all back the next year. However the next year we did not get it back and the Argentine republic oversold their quota. We are now told that this commission business and the quota have all gone by the board and that all the money we have put up in this connection has been of no account whatever. I assume the minister will be able to give us a detailed statement in regard to all these matters; how this has happened; why we were told that this quota was to be such a wonderful thing; why it is now all being abandoned and what we are going to do with our quota. I remember seeing somewhere in Hansard this statement made by the Prime Minister:

> In any event it would be merely a loan of a part of our quota until next year, so that we would not lose anything if we made an adjustment with the Argentine.

In other words, we made a loan to the Argentine and were to get it back the following year. When are we going to get this loan back?

Mr. HANSON (York-Sunbury): Any discussion on this particular question has no reference to the item before us. Furthermore, the quota system broke down because Argentina would not play the game with the other nations.

Mr. BROWN: I think it would be very unkind to compel the minister to give an explanation.

Mr. HANSON (York-Sunbury): Perhaps I am not as good at explaining as are some other people, but I shall at least do my best. The quota system fell down because another nation did not keep the arrangement.

Mr. MOTHERWELL: We did not ourselves.

Mr. HANSON (York-Sunbury): That may be true, but so far as this department and this appropriation are concerned, we have no responsibility in the matter.

Mr. POULIOT: That is not what the hon. member for Willow Bunch has said—

Mr. HANSON (York-Sunbury): I know what he said.

Mr. POULIOT: The minister did not understand it. The hon. member for Willow Bunch repeated what has been stated in the house by the Prime Minister, namely, that the quota was a certain quantity of wheat which Canada was allowed to sell and that she loaned part of her quota to Argentina. The question the hon. member for Willow Bunch has just put to the minister is this: First, what is the amount of wheat which was allowed for Canada's quota? Second, what amount was loaned to Argentina? Third, was it given back to Canada? I understood the hon. member very well; I was sitting next to him and I would like the minister to give a clear answer to that. I am ready to act as an interpreter at any time.

Mr. HANSON (York-Sunbury): The hon. member for Willow Bunch made his question quite clear and I answered it.

As regards this question of mixing, the hon. member for Melville said that he had a very strong suspicion that the law was being broken in connection with the four top grades. My information from the grain commission is that there is no mixing in the four top grades, and unless my hon. friend has evidence, the question should not be pursued further. If he has evidence, he ought in justice to all concerned to submit it and I will ask him to be good enough to do so.

Mr. DONNELLY: I want to know plainly the position in which we stand at present in regard to the quota. Is this all gone by the board?

Mr. HANSON (York-Sunbury): I shall have to get the information for the hon. gentleman; I do not have it now.

Mr. DONNELLY: I notice there is an increase of about $170,000 in this estimate. How much did this conference at Rome cost us? How much money did we pay into this?

Mr. HANSON (York-Sunbury): It is not dealt with in this appropriation at all.

Mr. DONNELLY: What appropriation does it come under?

Mr. HANSON (York-Sunbury): I shall have to find out; it does not come under my department.

Mr. DONNELLY: It is the marketing of wheat.

Mr. HANSON (York-Sunbury): The marketing of wheat does not come under the grain act, and nobody knows that better than does the hon. member for Willow Bunch.

Mr. DONNELLY: Does the minister mean to tell me that the Department of Trade and Commerce has nothing to do with the marketing of wheat?

Mr. HANSON (York-Sunbury): We have nothing to do with that.

Mr. DONNELLY: What department does it come under?

Mr. HANSON (York-Sunbury): I shall have to find out. We do not sell wheat. So far as I know, no department of the government has anything to do with the marketing of wheat.

Mr. DONNELLY: We understand that perfectly, but on the other hand the regulations concerning the marketing of wheat come under the Department of Trade and Commerce and no other department that I know of. This is something new to us that is taking place.

Mr. HANSON (York-Sunbury): The Department of Trade and Commerce has to do with the grading and warehousing of wheat. Any marketing of wheat that is going on in this country is under the auspices of the selling agency and that is all I have to say in regard to that.

Mr. DONNELLY: That selling agency has existed only since it was put into operation by the present government. We have had private individuals marketing wheat for years and years, and there is no doubt that has all come under the Department of Trade and Commerce. We have always said that the marketing of grain should be under the Department of Agriculture instead of the Department of Trade and Commerce.

Mr. POULIOT: It comes under the Post Office Department; it is sold by parcel post.

Mr. HANSON (York-Sunbury): The wheat selling agency was set up not by this government but by the Canadian Cooperative Wheat Producers, Limited, commonly known as the wheat pool, and all this government has to do with the matter is in connection with the guarantees given to the banks under the relief act.

Mr. DONNELLY: The pool agencies in the west do not cover more than half the quantity of wheat in western Canada. What happens to the rest? Do they dump it into the ocean or what do they do with it?

Mr. HANSON (York-Sunbury): It goes out through the export agencies.

Mr. DONNELLY: What department does that come under?

Mr. HANSON (York-Sunbury): It does not come under any department; it is free from government control.

Mr. BROWN: I just want to call attention to what the minister has said. He has said that the marketing of wheat does not come under his department or any other department of government. Perhaps hon. members will remember the charge that was made against the Minister of Trade and Commerce in the late government and the taunt that was hurled at him very frequently when he said that the government was not marketing wheat; that the wheat was marketing itself.

Mr. MANION: No; the hon. gentleman said that he was not interested in the marketing of wheat. That is slightly different.

Mr. MACKKENZIE (Vancouver): The word "interested" was not used by the then minister.

Mr. MANION: My hon. friend was not in the house at that time and I was.

Mr. BROWN: Nevertheless the taunt has been hurled against the then Minister of Trade and Commerce, that he said he had nothing to do with the marketing of wheat. That was the situation at that time. Now we talk about the marketing of wheat being under the sales agency, but there was no sales agency then. The other night when the hon. member for Lethbridge was discussing this matter he was entirely out of order or I would have taken the question up myself at the time, when he stated that this government had marketed more wheat every year since 1930 than the former government did in the last year they were in power; that

was the crop of 1929-30. At that time if the former government or anybody else had undertaken to interfere with the marketing of wheat, the wheat pools and all the grain companies would have been down upon them like a ton of bricks; they would absolutely have refused to allow the government to have anything to do with the marketing of wheat, and it was under those circumstances the former Minister of Trade and Commerce made the statement he did. It has been entirely unfair for hon. members opposite to make the taunt as they have so frequently done in regard to the words that were used by the former Minister of Trade and Commerce. Now the present Minister of Trade and Commerce says that the marketing of wheat does not come under his department or under any department of government. It is true that a different situation prevails now from that which prevailed when the crop of 1929 was being handled, but it was not until about February, 1930, that the marketing of wheat began to assume a serious aspect. It was at that time the former Minister of Trade and Commerce (Mr. Malcolm) made the statement he did. I call attention to this because it is an entirely unfair charge against Mr. Malcolm, and I think the situation should be understood by the committee.

Mr. DONNELLY: I want to clear this up. The Minister of Trade and Commerce said that neither his department nor any department of the government had anything to do with the marketing of wheat. If they have nothing to do with the marketing of wheat why was the government sending a commissioner to Rome to set a quota? Why did they go to London and set a quota? Why are they interfering at all with the marketing of wheat? How much did all this cost the government, or why was it done, if they had nothing to do with the marketing of wheat?

Mr. HANSON (York Sunbury): The hon. gentleman has put a very narrow construction on what I said. The government of Canada, representing the people of Canada, is very much interested in the marketing of the wheat crop. Furthermore the government of this country has placed the credit of the country behind the wheat growers. Is the hon. member opposed to that?

Mr. DONNELLY: I shall answer it when the time comes. I am asking the minister a question now.

Mr. HANSON (York-Sunbury): As far as the Department of Trade and Commerce is concerned, under the administration of the Canada Grain Act we are not in the business of marketing wheat but we are in the business of warehousing, grading and whatever is provided for under the Canada Grain Act.

Mr. VALLANCE: It is rather regrettable that this discussion about the marketing of wheat has come up. Whether the minister likes it or not, whether any department of the government is responsible for the marketing of wheat or not, power was given by this government to a body already in existence to market the wheat of Canada.

Mr. HANSON (York-Sunbury): No, that is not a correct statement.

Mr. VALLANCE: Oh, but it was. You are operating to-day under the Canadian Cooperative Wheat Producers Limited, and the power was given by this government to that body to operate. I think it was pretty cute, if I may say so, for the government to give that function to that body and leave no department of government responsible to parliament. There have been only two occasions on which we might deal with the whole matter, and one of them is past. That one was when the Minister of Labour (Mr. Gordon) the other day was putting through the relief bill, under which John I. McFarland operates, and it went right through from resolution to third reading.

Mr. GORDON: I answered all your questions.

Mr. VALLANCE: We had an assurance from the Minister of Labour that the resolution now standing in the Prime Minister's name on the order paper would come before this chamber, and on that assurance we abstained at that time from discussing the wheat situation. I am rather of the opinion that the grain board resolution will not come before the house.

Mr. FRASER (Cariboo): Where do you get that opinion?

Mr. VALLANCE: Your are operating now for another year under the authority you have operated on up to now. Why should the government subject itsef to the criticism which will be levelled at it when it asks that this grain board be set up?

Mr. FRASER (Cariboo): Because we are not afraid of it.

Mr. VALLANCE: Then why did the minister not avail himself of the opportunity to give the information demanded?

Mr. GORDON: I gave all the information asked for.

Mr. VALLANCE: You gave us no information.

Mr. GORDON: You were satisfied.

Mr. VALLANCE: No, we were not.

Mr. GORDON: Well, you looked satisfied.

Mr. VALLANCE: The Minister of Labour and the government are satisfied with what happened the other day when he put through that relief legislation. I will wager with the minister now that this grain board bill will never come up, because you are not going to reveal your hand. I was one of those, as I told the minister when he was putting through his relief legislation, who believed up to this time that it might not be in the interests of the grower to make the position public. But what right has this government to ask the people of Canada for a vote of confidence with no knowledge of what has happened through the activities of John I. McFarland? I know the Minister of Trade and Commerce cannot give it; I do not think it is fair to ask him. When he says no department of government is responsible he is right, and that is what I object to. There is no possible way in which we can get at the operations of John I. McFarland in wheat unless it is through the Department of External Affairs headed by the Prime Minister.

Mr. HANSON (York-Sunbury): No, the hon. gentleman is wrong, if he will allow me. In the first place his statement that this government has authorized the wheat selling agency is fundamentally wrong.

Mr. VALLANCE: Tell us what you said.

Mr. HANSON (York-Sunbury): If you will refer to the evidence given before the banking committee last year, a statement was there made by John I. McFarland which I understand has never been challenged, that he was asked by the directorate of the wheat selling agency to accept the position which he did accept and still occupies. That agency of course could not carry on the operations which he is and has been carrying on without some backing from the country's credit, and it was got through the relief act. That is where the matter to which hon. gentlemen are referring ought to be discussed. As to whether the information should be made available to the public at this time, I hold the opinion the hon. member for South Battleford (Mr. Vallance) held about a year ago in the banking and commerce committee. The hon. gentleman said he would not take the responsibility of revealing to the public just what the commitments were, in view of what was taking place outside of Canada.

Mr. VALLANCE: I said it here.

Mr. HANSON (York-Sunbury): And the position has not been altered.

Mr. VALLANCE: Oh yes, it has.

Mr. HANSON (York-Sunbury): Not materially. We shall have to agree to disagree about that. I do not understand that it has been altered. There may be a difference in degree, but I doubt that.

Mr. VALLANCE: Does the minister believe that it is fair to the people of Canada to ask them to vote confidence in the present government without a knowledge of what the operations of John I. McFarland amount to?

Mr. HANSON (York-Sunbury): Yes, I think so. I think the people of western Canada who have been reaping the benefits of Mr. McFarland's operations—

Mr. VALLANCE: If any.

Mr. HANSON (York-Sunbury): I do not think there are two opinions among the growers there as far as I have heard. Those people will vote confidence in the government because of the operations of John I. McFarland. It is my view that this discussion is entirely out of order under this item.

Mr. VALLANCE: So do I. I entirely agree with the minister.

Mr. LUCHKOVICH: I have risen now for the thirteenth time, and I hope that by so doing I shall not elicit an unlucky answer from the Minister of Trade and Commerce. I wish to vary the question asked by the hon. member for Battle River (Mr. Spencer) in regard to strikes of farmers in Alberta. The Minister of Trade and Commerce is no doubt aware that there was a strike there that lasted through November and December in the vicinity of Mundare, Two Hills, Smokey Lake, Lanuke, St. Paul, Lake Bellevue, Kaleland, Vilna, Bellis, Edward, Rich Valley and Hoadley. The grievances were concerned with (1), dockage; (2), grading; (3), installation of cleaners in elevators, and (4), a price commensurate with the cost of production. As the fourth item does not come within the purview of the board of grain commissioners I do not think it fair to ask the minister to make a statement thereon, but so far as the other three items are concerned I would ask the minister what stand the Department of Trade and Commerce has taken on this and also what the stand of the board of grain commissioners is with respect to these matters. I also know that the Minister of Trade and Commerce has received communications from

certain bodies in that district in regard to the spread between certain grades of wheat as well as the spread between street prices and spot prices, which more accurately represent the true value of the grain. Furthermore it was resolved that legislation should be enacted at the next session of parliament to enable the board of grain commissioners to investigate, and to regulate in the interests of the producer, all matters relating to grain marketing in western Canada. I do not know whether or not the board of grain commissioners have the necessary powers to investigate these matters or, if they have not, whether the minister intends to give those powers to the board, but I should like the minister to make a statement in that regard.

Mr. HANSON (York-Sunbury): In regard to the last question, the matter of spreads is outside the jurisdiction of the grain commission at the present moment, but they have filed with the royal commission which is now considering its report—which we hope will be brought in very soon—a brief on the whole subject which makes plain their attitude in regard to this matter. I have not had the privilege of reading that brief, so I cannot speak of its contents, but this is a matter that was referred to the royal commission as being within the purview of its inquiry. I do not know whether or not they will make a recommendation on it; we will have to wait and see.

With regard to the strikes that took place in the hon. gentleman's constituency, correspondence has passed between the hon. gentleman and myself, and a statement has been prepared which I desire to place on record for his benefit and the benefit of members of the house generally.

In November, 1934, the board of grain commissioners received complaints from a number of shipping points in northern Alberta, including Mundare, in regard to the marketing of the crop of that year. The complaints had to do with four different matters: first, dockage; second, grading; third, installation of cleaners in country elevators, and fourth, a price commensurate with the cost of production. The last complaint, namely a price commensurate with the cost of production, was clearly outside the jurisdiction of the board, but in order to be fully informed the board held a number of meetings throughout the area affected.

The situation at Mundare appeared to be the most critical; the complaints had assumed the form of a strike in which certain farmers had agreed not to deliver their grain to the elevators at Mundare or other shipping points. They also are said to have picketed the roads to prevent other farmers from delivering their grain. The board decided to make a thorough investigation of the situation at Mundare. A cut-off was made at the same time in each of the eight elevators at that point. Inspection officials were sent in to grade the stocks in store. The investigation revealed that only in one instance did the grade of the elevator agent agree with the grade of the board's inspectors. In all other instances the agents of the elevator companies had over-graded; that is to say they had given the grain a higher grade than in the opinion of the board's inspector it was entitled to receive. If the grain had been shipped as of November 15 the companies would have stood to lose approximately $3,200. As a result of the investigation the board could come to no other conclusion than that the complaint at Mundare with respect to grading was not well founded.

In regard to the demand of the farmers that country elevators be required to instal grain cleaners, after assembling all the information available the board came to the conclusion that in northern Alberta at the present time the dockage in grain is of such a character that it would not be economical for the farmers to pay a reasonable charge for cleaning. At a later date the board presented its finding at a public meeting at Mundare, to a large number of farmers and others, and in a short time the strike was lifted and marketing conditions became normal.

Mr. CARMICHAEL: I wish to bring to the attention of the minister a matter of a different nature which, strictly speaking, possibly should not be considered as coming under this item. It should have been taken up under the vote for the research council, but it so happened that that vote slipped through here one evening, because of the enthusiastic speed of the official opposition, and some of us did not get a chance to discuss it.

Some hon. MEMBERS: You must have been asleep.

Mr. CARMICHAEL: I said "enthusiastic speed", which is not disparaging. Perhaps the matter I am going to bring up will have a soothing effect on the official opposition; it is the question of using wheat to make alcohol. After all the turbulence we have witnessed perhaps this is a good time to bring in this matter for the good effect it may have.

Some hon. MEMBERS: Speak for yourself.

Mr. CARMICHAEL: There is a great deal of wheat in store at the present time; in fact our surplus is becoming rather alarming in

quantity, and of course the west keeps on producing wheat, so that people are led to cast about for various ways of taking care of this surplus. I know the best way is to sell it and ship it overseas, but in recent years markets have not been available, and during the past few years the price of wheat has been very low, so perhaps this is an opportune time to raise this question, and with the minister's consent I will endeavour to place some facts before the committee.

There is a very great deal of gasoline used in Canada for motor fuel purposes. According to my information, based on statistics for 1932 and 1934, approximately 500,000,000 gallons of gasoline are used in Canada every year. Practically all the raw material used for making that refined gasoline is imported. In 1934 we imported crude and partially refined petroleum oil to the extent of 1,063,539,693 gallons, at a cost of over $25,000,000. That amount of money went out of the country, chiefly to the United States, Colombia, Dutch West Indies, Peru, Venezuela and Trinidad. The first cost, of course, went to these various countries, while a small share, amounting to a little over $300,000, went to our government in duty. In addition, in that year there were 15,108,093 gallons of refined gasoline imported, at a total cost of $1,706,796, coming chiefly from the United States and Dutch West Indies. So it will be seen that there have been large expenditures for motor fuel purposes, most of the money going outside Canada, and in addition in 1934 we had to import tetraethyl lead, which is mixed with gasoline to do away with what are referred to as the knocking qualities in gasoline. We imported 1,398,928 pounds of tetraethyl lead, at a cost of over $1,000,000; this came entirely from the United States. In 1934, therefore, we paid out to other countries something over $27,000,000, in addition to $793,000 in duties to this government, or a total of over $28,000,000 for this purpose.

I am giving these figures, Mr. Chairman, to show what large sums of money go out of our own country in order to supply us with our gasoline requirements. The question of making alcohol from wheat has been investigated very thoroughly. I have here a report of the national research council dated May, 1934, in which they give a detailed account of their investigations in connection with this matter. They tell us that one bushel of wheat will produce approximately two gallons of alcohol. Their proposal as outlined in this report is that we could very well use a ten per cent mixture of alcohol with our gasoline. That would mean ten per cent of 500,000,000 gallons, or 50,000,000 gallons of alcohol which might very well be mixed with our gasoline for motor fuel purposes. To produce that 50,000,000 gallons of absolute alcohol would require 25,000,000 bushels of wheat. Now if it can be shown that that alcohol can be produced at a cost that is not too exorbitant, it will perhaps appeal to us that it would be something at least worth trying.

This gentleman who operates under the national research council has given us the conversion cost, that is the cost of converting wheat into alcohol, and he takes care to include every little detail. In the first item he has overhead, depreciation, taxes and return on investment, and the cost per gallon under that item is 4.5 cents. The second item is operating charges, labour, fuel, water, chemicals, barley, and so on; that comes to 6.5 cents; dehydrating and denaturing 2 cents. The total cost is 13 cents per gallon. You will notice that he takes in every detail, even allowing for a return on the investment, and of course we know that in recent years a great many concerns have been carrying on without any return at all on their investment. He also points out that in a large plant, and under favourable conditions, this cost of 13 cents per gallon might be reduced by two or three cents. He points out that no allowance has been made for by-products such as yeast or carbon dioxide, which if sold would reduce that cost of 13 cents.

Now take the matter of wheat prices. In recent years the price of wheat has been very low, and that is what opens up the thought that we might use wheat to advantage for this purpose. From the bulletin I have here I find that over the four years, 1931, 1932, 1933, 1934, the average price of wheat in Saskatchewan and Alberta was as follows:

	Saskatchewan cents	Alberta cents
1931	38	36
1932	35	32
1933	47	45
1934	59	55

So we see that the price of wheat has been extremely low in those four years. The research council has taken the three years, 1930, 1931 and 1932, and they have given us the average price in those years of No. 1 northern and No. 5 wheat. The price of No. 5 in 1930 averaged 51 cents; 1931, 46 cents; 1932, 39 cents. They point out that No. 5 wheat is very useful for the making of alcohol; in fact, it does not need to be a high grade wheat. The lower grade wheat serves fairly well, while it does not produce as much alcohol per bushel. I think it would be fair to assume

that the average price of No. 5 wheat would be 50 cents a bushel in view of what prices have been over the past few years. We find that in the province of Manitoba the use of alcohol in the way suggested a ten per cent mixture, would increase the price of motor fuel by 2.7 cents per gallon; in Saskatchewan it would increase the price by 2.5 cents per gallon, and in Alberta by 3 cents per gallon. They point out that the domestic freight rates are so high for wheat moving to British Columbia that it might be cheaper to manufacture the alcohol in Alberta and ship it to British Columbia, and so they do not give us any price for that province. In Ontario, allowing for the shipping of the wheat from the west to the east, the increase in price would be 3.9 cents per gallon, and in Quebec and the maritimes it would be practically the same. Taking the average for the various provinces we find that the increase in price would be about 3 cents per gallon for a motor fuel with a ten per cent mixture of alcohol added to the gasoline. Let us take that figure and consider what it would mean spread over the whole dominion. In British Columbia it would mean an increased cost to the purchasers of motor fuel of $1,170,000; in Alberta, an increase of $902,000; in Saskatchewan, an increase of $714,000; in Manitoba, an increase of $700,000; in Ontario an increase of $8,260,000; in Quebec, $3,276,000; in the maritimes, $1,260,000. So that the total increase in the cost of the total quantity of gasoline consumed in one year would be $16,282,000. That may look like a large sum of money to put upon the shoulders of the users of motor fuel, but when we remember that approximately half of that $16,000,000 odd goes into the pockets of the farmers of Canada and the balance into lake and rail freight, elevator charges, manufacturing costs, freight on alcohol, and so on, it does not look so terribly extravagant, because a few minutes ago we pointed out that over $28,000,000 was being sent outside the country for the purpose of supplying us with our motor fuel.

I want to give some of the benefits that would come from a mixture of alcohol with our gasoline. Perhaps one of the most important benefits is obtained from the anti-knock qualities of gasoline when mixed with alcohol. That is the reason that refiners of gasoline have to import tetraethyl lead to mix with gasoline to eliminate the knocking properties which gasoline naturally has. By mixing absolute alcohol with the gasoline it is not necessary to use tetraethyl lead. In fact, we are told by these research men that the use of alcohol has a better effect on the gasoline than the use of tetraethyl lead.

Another advantage would be that it would reduce the formation of carbon in the engine, reduce the oil consumption of the engine, and give a longer life to the valves and the engine parts in general due to the smoother operation. While we have no absolute figures or estimates on these points, that is the conclusion of the research council as to the effect of mixing alcohol with gasoline. Also, Mr. Chairman, it would reduce our imports considerably, thus helping our trade balance. Another important point in its favour is that it would tend to give an impetus to the distilling business in Canada. In 1933 we had eighteen distilleries in Canada, which produced a little over 3,500,000 gallons of absolute alcohol.

The CHAIRMAN (Mr. Gobeil): I do not wish to interfere with the hon. member's remarks, but unless he has the consent of the committee he is certainly out of order.

Mr. HANSON (York-Sunbury): I agree, Mr. Chairman, that the hon. member's remarks are out of order, but he was good enough to write me a letter saying that he intended bringing this matter up. I have no objection, and with the consent of the committee I would ask that he be allowed to proceed.

Mr. BEAUBIEN: I have no objection to the hon. member proceeding, but I hope the minister will show the same courtesy to the rest of the members.

Mr. HANSON (York-Sunbury): I shall be courteous to everyone.

Mr. CARMICHAEL: The minister is very good natured and I thank him for it.

Mr. DUFF: It is not only the minister who is good natured. Before the hon. member proceeds I think he owes hon. gentlemen on this side an apology, as he can proceed only with their consent. We shall be glad to make the consent unanimous if an apology is forthcoming.

Mr. CARMICHAEL: I shall be glad to accommodate the hon. member for Antigonish-Guysborough (Mr. Duff). I am ready to apologize or do anything else in order to keep going.

I was referring to the good effects which might be expected to accrue from the use of alcohol in gasoline, and the last one I mentioned was the benefit which the distilling business would gain. We have eighteen distilleries which produced 3,500,000 gallons in

1933, and if provision were made for the production of 50,000,000 gallons, there would be a great impetus to the business as well as an increased pay-roll. There would also be provided a new domestic market for 25,000,000 bushels of wheat as well as for a considerable quantity of barley.

There is another important point to be kept in mind. We are told that the reserves of gasoline are not inexhaustible and that as they gradually decrease there would be a rise in the price of gasoline. Some authorities predict that this will come about within the next ten years. I should like to give certain facts in connection with other countries. At the present time England is erecting a plant for the hydrogenation of coal to produce gasoline for fuel. It is expected that 30,000,000 gallons per year will be produced. This fuel will cost from 16 to 18 cents per gallon while gasoline costs only six cents per gallon delivered in British ports. In order to assist the coal industry the British government is bonusing this hydrogenation process to the extent of eight cents per gallon. This will encourage the use of British coal to produce a fuel within the country rather than to be dependent upon imports.

There are eleven countries in which motor fuel containing alcohol is being marketed. Germany is making alcohol from potatoes and molasses and mixing it with her motor fuel. France is making it from cane and beet molasses while Italy is making it from molasses and grapes. Sweden is producing alcohol from sulphite liquor; Czechoslovakia is producing it from potatoes and molasses; the Philippines use molasses in this process while Latvia uses potatoes. Australia, Cuba and South Africa use molasses in the process. Hungary is producing alcohol but I have not the product they use. The use of alcohol varies from ten to twenty-five per cent. There are several other countries considering the use of alcohol in their motor fuel, such as Brazil, Chile, Austria, Equador, Poland and the United States. The products to be used include molasses, potatoes and corn. India and the Irish Free State are providing government assistance for the production of motor alcohol.

Having placed these facts before the committee, the minister and the government—and for that matter the official opposition, who hope in the not distant future to be returned to power—I should like to suggest that this matter be considered and carried beyond the experimental work being done by the national research council. This council has done excellent work in bringing these facts before the public and I commend to any hon. member who may be interested the reading of this book. I suggest that a further step be taken and that alcohol be manufactured on a larger scale. Perhaps this may not be done to the extent of producing 50,000,000 gallons, but I think it should be tried out in order to test the facts brought out by the research council. If the advantages are such as are pointed out in this book it may be that none of us would object to paying three cents more per gallon for our gasoline when we obtain a fuel of a superior quality. When the refineries commenced using tetraethyl in their gasoline they charged the customer two cents per gallon extra because of its superior quality. If the mixing of alcohol will provide a fuel of a superior quality, an extra charge of three cents per gallon will not be of much importance. I thank the minister and the committee for giving me the opportunity of placing these facts before them.

Mr. HANSON (York-Sunbury): Mr. Chairman, I shall not detain the committee very long in continuing this discussion. As I am reminded by the hon. member for Antigonish-Guysborough (Mr. Duff), it has often been said that gasoline and alcohol do not mix. However, we are not using that statement in the same sense as the hon. member for Kindersley (Mr. Carmichael). This whole matter was the subject of an investigation by the national research council and a memorandum has been prepared on the possible utilization of grain alcohol in motor fuel in Canada. The first finding was that the manufacture of alcohol from wheat offers no technical difficulty. Second, they found that the use of such alcohol in admixture with gasoline for motor fuel is technically possible, as demonstrated by its continued sale for this purpose in France, Germany and other countries. Third, alcohol cannot be made as cheaply as gasoline by any process known at the present time. For this reason the blending of alcohol with gasoline is bound to increase the cost of motor fuel. Four, other things being equal, the addition of ten per cent of alcohol would be expected to increase the cost of motor fuel by at least three cents per gallon on an average for all Canada. This figure is based on the use of No. 5 wheat at a price of sixty cents per bushel at Fort William, approximately the present price. About 25,000,000 bushels of wheat would be required annually. Five, the addition of alcohol to gasoline improves the anti-knock qualities and lessens carbon formation. These advantages are partly offset by certain unfavourable characteristics. Six, in order to produce the alcohol required for a ten per cent blend, it would be necessary to increase the capacity of the

distilling industry. Seven, it is believed that motor fuel made by the hydrogenation of Canadian coal would be considerably cheaper than motor alcohol made from wheat costing sixty cents per bushel. I shall be glad to direct the attention of the officials of the research council to the speech of the hon. member for Kindersley and ask them to look into the matter with a view to having further investigations made.

Mr. DUFF: Is it not true that cars in which alcohol is used go faster than those using gasoline?

Mr. HANSON (York-Sunbury): I am not an expert and I do not know.

Mr. DONNELLY: The hon. member for South Battleford (Mr. Vallance) referred to the activities of Mr. John I. McFarland and this government in the wheat market. I desire to ask the minister if he will assure the committee that an opportunity will be given before the end of the session to discuss the activities of Mr. McFarland and the government in the wheat market. If the minister can give us that assurance I shall content myself with correcting just one statement which he made. The minister stated a while ago that all that this government did was to guarantee the account of Canadian Co-operative Wheat Producers Limited at the bank and had nothing whatever to do with sustaining the market or with speculating or gambling in wheat. I want to show him that that statement is wrong when viewed in the light of a statement made by the former Minister of Trade and Commerce (Mr. Stevens). On March 28, 1933, the former minister, when dealing with this matter, said that he recognized this fact but appreciating the loss which would be entailed, particularly to the producer, the government authorized John I. McFarland to purchase grain for future deliveries. I understood the minister to say that the government had not authorized John I. McFarland, that it was the Canadian Cooperative Wheat Producers Limited that authorized him. But the former Minister of Trade and Commerce states definitely that it was the government that authorized him.

Mr. HANSON (York-Sunbury): I do not understand that statement to be correct; I understand the statement to be correct which I made, that Mr. McFarland was appointed by the selling agency and that all that this government did as such was to pass an order in council under the relief act guaranteeing the banks against ultimate loss through his operations.

[Mr. R. B. Hanson.]

Mr. DONNELLY: I am giving the words of the former Minister of Trade and Commerce.

Mr. HANSON (York-Sunbury): I do not understand it in that light.

Mr. DONNELLY: I cannot read it in any other light. What does the minister say now in regard to the possibility of discussing the activities of John I. McFarland?

Mr. HANSON (York-Sunbury): I have every reason to believe that the resolution standing in the name of the Prime Minister will be proceeded with, and when that is done there will be ample opportunity to discuss the whole question. The present intention of the government is to proceed with that bill.

Mr. DONNELLY: If it is not proceeded with will the minister assure us that we shall have an opportunity to discuss the subject?

Mr. HANSON (York-Sunbury): I cannot give that assurance. The proper place to have discussed this whole question—and I believe it was discussed—was under the relief act, because technically this whole question comes under the relief legislation.

Mr. DONNELLY: The minister will remember that for three or four years we have discussed under this very item the activities of the government and of John I. McFarland.

Mr. HANSON (York-Sunbury): I am not aware of that, but I take the hon. member's word for it without any verification because he has been in the past much more interested in the subject than I have been. But technically the proper place to have discussed the item was under the relief act.

Mr. VALLANCE: I agree with the minister that possibly this is not the proper time to discuss the subject, but as the hon. member for Willow Bunch has pointed out, it was discussed in 1932 in connection with the estimates. I have here volume 2 of the session of 1932, and on April 15 you will find at pages 2078-9 and elsewhere trade and commerce supply, and the whole question was then under discussion. I will read a few extracts:

Mr. Young: Last year the government gave a guarantee of a minimum price of wheat. Has the minister any statement to make to the committee as to how the government stands now as a result of that guarantee?

Mr. HANSON (York-Sunbury): That in itself was not a quite correct statement. There never was any other guarantee given except that against ultimate loss.

Mr. VALLANCE: The minister's predecessor took the same position that he does, but only up to a certain point. Let me quote his reply to the hon. member for Weyburn:

Mr. Stevens: There was no government guarantee of the price of wheat. My hon. friend is perhaps giving a wrong impression.

I quote that to show that a discussion did take place. Now John I. McFarland is to-day performing a dual function, both as head of the sales agency of the pools and as stabilizer for this government, and it is the stabilization effort of John I. McFarland that we want to get at. When the minister says that we should have discussed the subject under the relief measure, I think he is right. But we had an assurance from his colleague the Minister of Labour, because of the position I pointed out, that one of two men should be on the floor of the house, either the Prime Minister, who we are sorry is not able to be here, or John I. McFarland; and because neither of them was here —Mr. McFarland was not sitting in front of the minister, and the Prime Minister was absent—the Minister of Labour was asked for the assurance which the hon. member for Willow Bunch has requested again, that the resolution now standing in the name of the Prime Minister would be proceeded with for the setting up of a grain board. And the Minister of Labour assured us that it would. If the Minister of Trade and Commerce gives us the same assurance, I am absolutely in agreement with him that the proper time to discuss the subject is when you are setting up a grain board, inasmuch as Mr. McFarland's activities cannot continue if a grain board is set up. But that is why I make the statement that a grain board will never be set up, because we have the assurance in connection with the relief act that John I. McFarland may operate for another year.

Mr. HANSON (York-Sunbury): I have no doubt that the opening statement of the hon. gentleman is correct, that this subject has previously been discussed under this item; I have not the slightest doubt that the discussion did take place. But on that point I can only reaffirm the position I have already taken, that any discussion of this matter was not germane to the inquiry, though I never raised that as an objection. With respect to the assurance which hon. gentlemen have asked me to give, I can only repeat that it is the government's policy to proceed with the resolution standing in the name of the Prime Minister for the formation of a grain board, and ample opportunity will be given when that is reached to discuss the whole question. That is the position I take, and I can give no positive assurance. But I know of no other line of policy on the part of the government, and I am not prepared to say that any consideration has been given any other course.

Mr. VALLANCE: To-day, on the orders of the day, I asked the acting leader of the government when we might expect the resolution now standing in the name of the Prime Minister to come before the house, and we got the same evasive reply which we have now received from the minister. I realize the minister's position; he is only administering a department of government. But we did expect that the leader of the government would give us some assurance to-day in reply to the question put to him. I have nothing further to say.

Mr. HANSON (York-Sunbury): The resolution standing in the name of the Prime Minister has not been proceeded with on account of his absence; that is the reason and nothing else. It is hoped that the Prime Minister will be in a position to take care of the matter himself before prorogation. That is the hope of the government.

Mr. VALLANCE: I am prompted to say another word. If you glance at the order paper you will see that there are two or three items standing in the name of the Prime Minister. Two have been proceeded with by other ministers, and I think that the acting Prime Minister should be in a position to give us an assurance, in view of the fact that the other two pieces of legislation standing in the name of the Prime Minister have already been proceeded with, that possibly some other minister may proceed with the resolution on which it proposed to base a bill for the establishment of a grain board.

Mr. HANSON (York-Sunbury): Because other items standing in the name of the Prime Minister have been proceeded with by other ministers, it does not follow that this will or will not; I do not think there is any relation between the two. But it is desirable that the Prime Minister should proceed with this, and that is the hope and expectation of the government.

Mr. GERSHAW: This item calls for $1,900,000. I understand that a charge is made for each bushel of grain handled under the act; and in the budget, in the list of non-tax revenues, there are items each year roughly corresponding to the amount of this vote.

How much per bushel does the government charge under this act? Is it enough to cover the administration? Is there a surplus or a deficit?

Mr. HANSON (York-Sunbury): The charge is $1 a thousand bushels for inspection and $1 a thousand bushels for weighing, and in a good year there is a little credit balance; in a poor year it is the other way. Generally speaking the charges take care of the operation of the act. I could give the hon. gentleman the exact figures for the year if he desires them, but they all appear in the public accounts for previous years and we have the latest figures.

Mr. SPENCER: May I ask the minister a question with regard to garnet wheat? As I came in I thought I heard him say that there was a possibility of the legislation passed last year not being put into operation for this year.

Mr. HANSON (York-Sunbury): I do not think I said that there was a possibility.

Mr. SPENCER: I would like to get exactly what the minister said.

Mr. HANSON (York-Sunbury): I said that the government's intention at present was to let the legislation go into effect, but that representations had been made with respect to holding up the operation of the act for a period of time, and the question is now really being considered by the government. None of the reasons which occasioned a change in the statute last year has altered. The present consideration has been given because I am advised by the board of grain commissioners that in the event of considerable quantities of No. 2 northern wheat being in store on July 31, the quantity being wholly problematical, considerable difficulty will be occasioned by this fact. It is therefore on the grounds of expediency only that the postponement of last year's legislation is even being considered. There is in this year's estimates an item of $75,000 which is intended to finance the shipment of commercial quantities of garnet wheat in an effort to establish the commercial spread of pure garnet with the regular class grades. At the moment I am not able to say that a decision has been reached one way or the other with respect to garnet. We do not think we have to make a decision now, but if it is decided not to do anything, of course the act will automatically come into operation on the first day of August next. If it is decided to do anything, due notice will be given.

[Mr. Gershaw.]

Mr. SPENCER: The reason I bring this question up is that in the west spring will probably break in about two weeks. The western farmers have been led to believe it will be wise for them on account of the legislation passed last year to get into some other wheat, but if that legislation is not going to come into operation, many of them would like to get garnet seed wheat as soon as they can.

Mr. HANSON (York-Sunbury): A decision will be reached before seeding begins. If it is decided not to do anything, the farmers all know this legislation is on the statute books and it will automatically go into effect.

Mr. CARMICHAEL: It is rather surprising to find such ambiguity thrown into this matter—

Mr. HANSON (York-Sunbury): There is no ambiguity.

Mr. CARMICHAEL: —after all the time put in last year in the committee on agriculture investigating and hearing evidence on the question. After evidence from those who are expert in the matter, the act was amended and a year's extension of time was given in order that no hardship might be worked on the growers of garnet wheat. I am surprised to hear this expression of opinion on the part of the minister that now there is a possibility of the act not becoming operative.

Mr. HANSON (York-Sunbury): That is an inference the hon. gentleman is drawing. I said that the matter was being considered; I did not intend to say that the government had come to any conclusion. The elevator people have made representations to the government and these of course have to be listened to as representations coming from any responsible source have to be listened to. But so far the government has not changed its attitude with regard to the matter just for the very reason the hon. gentleman has stated. My information is that this question was debated for two full years in the committee on agriculture; that parliament in its wisdom passed this amendment in 1934, and that due notice was given; it was held off for over a year in order that those vitally interested might inform themselves and conform to the decision of parliament after all representations had been heard. The only point to my mind is: should we give any effect to the representations that have been made to us? So far it has not been the intention of the government to do so.

Mr. CARMICHAEL: As a representative from a farming community that is very much interested in maintaining the high standard and grades of our marquis wheat, I want to emphasize the advisability of letting the legislation come into effect in due course. Ample consideration was given to the question by all sides in the agriculture committee over a period of a couple of years, and I do not like the idea of a consideration that might change what was the considered judgment of the agriculture committee given by a large majority.

Mr. HANSON (York-Sunbury): I am very glad to have the hon. gentleman's opinion, and due weight will be given to it.

Mr. COOTE: In regard to a question which I raised a few minutes ago, that is the special binning of high protein wheat, are the records of the board of grain commissioners kept in such a way that it would be possible to find out the quantity of such wheat that is handled by the various elevators?

Mr. HANSON (York-Sunbury): I am informed that it would be possible to have that information. I am not sure that I have it here. Of the 822,368 bushels which were specially binned in terminal elevators at the head of the lakes from August 1, 1934, to February 8, 1935, the Bawlf elevator had 88,026 bushels; the federal elevator, 174,911, and the Saskatchewan pool number seven, 559,431 bushels, making the total mentioned. The total receipts at the head of the lakes during the same period was 62,111,779·3 bushels.

Mr. COOTE: Are any figures given for the McCabe elevator, that is the special one that was leased by the government last year?

Mr. HANSON (York-Sunbury): The commission have no record of any special binning there, but if the hon. gentleman thinks the matter of importance we will get the information. It is a semi-public elevator and I think the information can be obtained.

Mr. COOTE: I shall put the question on the order paper later.

Mr. MOTHERWELL: Can the minister say how many public terminal elevators there are now at the head of the lakes?

Mr. HANSON (York-Sunbury): I am informed that there are no public terminal elevators; they are all semi-public; that is, the government is not operating any elevators at the head of the lakes.

Mr. MOTHERWELL: The government elevator that they have recently leased to the McCabe Elevator Company was the last terminal elevator at the head of the lakes?

Mr. POULIOT: I wish to make my position clear with regard to the question that was asked of the minister some time ago about the loan of wheat to Argentina. A quota was allotted to Canada for the sale of wheat to Great Britain. That quota is so much, and if Canada is in a position to fill it, it should be filled as long as there is one bushel of wheat in our elevators. That is the way I understand the matter, and according to the reports of the department the warehouses are still full, so that there was some grain left in the elevators although part of our quota was loaned to Argentina. On May 11 of last year, in answer to a question put by a member from Montreal, the Prime Minister admitted that Canada had loaned part of her quota to Argentina. Such action was absurd. He continued to say that he was sure that loan of wheat would be given back to Canada in due course. I want to know whether it has been given back as promised by the Prime Minister last year. I know very well that the minister did not make that loan, but my question is very simple and that is all I want to know from him.

Mr. HANSON (York-Sunbury): That is a very courteous question and I shall be glad to answer in this way: I have not the information before me but I shall be glad to obtain it and send it to the hon. gentleman.

Mr. POULIOT: I thank the minister. I shall not press the matter further at the moment, but I would remind him that on a previous occasion I asked him a question about our exports to England and he gave me the same reply, but I have not yet received the information. I hope I shall have both at the same time.

Mr. MOTHERWELL: In regard to this terminal elevator at Port Arthur, I am told by the minister that the last remaining public terminal elevator at the head of the lakes has been rented by the government to a private concern without any conditions at all as to whether the new tenant is to operate a semi-public or a public terminal. As I think the committee know, the public terminal elevators do not do any mixing of any kind, wheat, oats, barley or anything, but the semi-public terminals, such as that of the McCabe company, sometimes called semi-private, mix everything under the sun except the four grades that are prohibited, and there is grave suspicion that even those grades are not

exempt from their mixing practices. In fact the minister has admitted to-night that the special binned wheat in this one-time public government terminal has been shipped out to the United States on the basis of protein content. That is exactly the same thing as mixing. The mixing of different grades of wheat was prohibited in order to prevent the practice of degrading our wheat, deteriorating it down to the very minimum. If you take a lot of the best milling wheat of a certain grade, the average of the rest will not be as good, that is obvious. And the minister has admitted that that is what is going on, the high quality and high protein stuff being switched to the United States and the deteriorated remainder going overseas to the world market where prices are usually established. I wonder if the minister realizes that that public terminal at Port Arthur was put up by a government of his own party, in 1912 I think it was, as security and assurance to those shippers who wanted to store their wheat where they would be sure to get out the same quality as they put in. Now that assurance is gone. Without any reservation or qualification the government, because they were losing a little money on the elevator, have deliberately leased it to a private concern that seems to know everything there is to know about mixing. That is the situation. The minister admits that the law permits the binning of wheat on a protein basis; then he is admitting that the very worst kind of mixing is being practised.

Mr. HANSON (York-Sunbury): I think I can perhaps make the matter clear to the hon. gentleman. Up to 1930 there was necessity for public elevators for certain reasons, one of which he has just mentioned. But upon the consolidation and revision of the grain act in 1930 the purposes for which public elevators were established by this government ceased to exist. At that time private elevators were made semi-public and the jurisdiction of the board of grain commissioners was extended to them. Therefore the public elevators were not used; they did not get any business. The fact that it was losing money was not the primary or the real reason why the elevator was leased in 1933, although it certainly was losing money. But it was leased because the purpose for which public elevators had been established and existed ended on account of the changed provisions of the act in 1930; at all events that was my advice and I believe it is correct.

With respect to the question of special binning, I think I made it clear that it is and has been for some time perfectly legal. If it is considered a bad practice then the act will have to be amended to prevent it. But it is the opinion of the grain commission—I think I should quote their opinion—that so long as the practice does not exceed its present proportions it does not have any detrimental effect on the quality of our export wheat. Surely the department is entitled to take the advice of the grain commission on that point. If the hon. member were in my place I think he would be guided largely by the expert opinion of the chairman of the grain commission. It is the considered opinion of the commission that so long as the practice does not exceed its present proportions no great harm is being done to our export trade.

Mr. MOTHERWELL: That is the sort of plausible excuse that is always put up. These practices always start in a small way and get larger and larger until the whole situation is debauched. That is the way it happened in 1917. The very fact that we are having this discussion is evidence that the knowledge is getting out all over that the practice has been engaged in ever since the American market became available—the last three years, the last two years a little more, the last year still more, and the dribble threatens to back into a stream. That practice has again started. It is also being revealed that other dubious practices have started. The ground I take is that the one bulwark that was established as a sort of elevator police measure to guard against this danger has been leased by the government to one of the most skilled mixers of the lot. It is no excuse for the government that because they were losing some money—

Mr. HANSON (York-Sunbury): That is not the excuse.

Mr. MOTHERWELL: Well, it is one of them.

Mr. HANSON (York-Sunbury): No, that is not the reason.

Mr. MOTHERWELL: You might as well argue for taking the policeman off his beat because there was no particular depredation committed there last night. That is the part this elevator was playing, to see that justice was done to those who wanted to preserve the integrity of their wheat. Now the government have sacrificed that one assurance, the one institution that mixed nothing. I remember the agriculture committee in 1930 made some compromise to secure agreement, but compromises are usually unsatisfactory, and to say to those semi-public terminal elevators now, because the last public one has gone, that they can mix all wheat below

No. 3 northern and all other cereals but cannot mix Nos. 1, 2 and 3 northern or No. 1 hard wheat is just putting temptation right under their noses. All they have to do is turn a tap when they are loading and the belt accepts anything that is shot on to it. Suppose they are loading out a boatload of No. 4; it is quite legitimate to mix that, but mixing No. 3 is illegal. However the least thing will turn the stream and perform the function of mixing.

I do not want to press my good friend the minister upon this matter. I did not make this statement for the purpose of making a charge. I would much rather his predecessor were there, because each year I have been asking about this mixing, and we did not know until quite recently, since the government leased this elevator, that the practice of isolating cargoes on the protein basis to one market, namely the United States, was being followed. This discussion is being carried on in a friendly way, I hope; I would be the last to want to embarrass a new minister. I was a new minister myself once and I know the difficulty of the position, especially on an intricate question such as this. My hon. friend thought I should give some evidence that any mixing was going on, but he has admitted it himself; he says there is "practically no mixing." But that word "practically" is highly elastic, it may cover a multitude of sins. There is mixing in so far as there is degrading—for that is what this type of mixing is—by isolating the extra good to one market, the balance going to the other, and the other being the one that sets the price. If my hon. friend the minister, who I am sure is desirous of getting at some of the salient features of this business, will just examine it, he will find that it is a wrong practice to permit, because there is nothing in the act about grading on the basis of protein. When these people are permitted to do that and rob the balance of any surplus virtue, then they are doing exactly the same thing that was done under the old practice of mixing the grades. It has exactly the same effect and it is violating the spirit of the act, at all events, if not the letter. I do not suppose we will have time for any very thorough investigation this year, but I have seen these cycles before. Every five or six years there is a great commotion against this practice of mixing and deteriorating our grades on the British and other markets. A great protest came from over the water some years ago, why, they were very nearly refusing our wheat certificates at that time, and some of us in this committee worked very hard to remedy the situation. Now it is beginning again in a different way right under our noses, and I hope the minister and his advisers will hearken to what we have to say, because there is no stopping it by inaction once it starts. I have no doubt, from what I have learned, that every terminal elevator, now being a semi-private elevator, carries on this same practice of grading on a protein basis for the United States demand with the exception of the interior terminal elevators on the prairie. Those elevators were placed there largely for extra storage purposes, largely as public terminals, and I am quite sure nothing like this is practised there. Formerly there was no mixing being done in the Port Arthur government terminal elevator, but now the government have deliberately given away or rented their bulwark, their safeguard, their elevator policeman, by renting the Port Arthur elevator to a private concern.

Mr. COOTE: I am not disputing the information given by the minister as to the amount of special or select grains that has been special binned, but may I point out that one shipment was brought to my attention of, as nearly as I can remember—I have not the papers before me—practically 700,000 bushels from one elevator that the minister did not mention, which is more than the total he gave for the three he did mention. I could not help wondering whether the commission have the exact information with regard to the special binning that has taken place.

Mr. HANSON (York-Sunbury): The remarks of the hon. gentleman in this connection will be noted. I am informed that the chief commissioner believes the figures to be correct. He has not checked them personally, but he has received them from his officials and he believes they are correct, but he will see that they are rechecked.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Live stock, including assistants to fairs and exhibitions, $1,628,302.

Mr. DONNELLY: In connection with this item concerning live stock, either last year or the year before the minister went through the west and at Brandon and I believe some other places announced a new policy in connection with stallions. I asked the minister

some questions in this connection but I received no satisfaction whatever; in fact the information was hardly correct, because the changes the minister said had been made were not in accordance with the information I obtained from other sources. I understand, however, that there is some further policy now under which certain stallions have been bought and left at the experimental farms. Will the minister tell us his policy in this connection?

Hon. ROBERT WEIR (Minister of Agriculture): In the first place I do not know to what the hon. member refers when he suggests that the policy announced at Brandon was different in any way from the present policy.

Mr. DONNELLY: I did not say it was different from the present policy; I said it was different from the policy in force two years before that.

Mr. WEIR (Melfort): The announcement at Brandon was that there was to be a change in that policy which might be considered supplementary for the time being until it got under way, when it was contemplated that the policy of club assistance might be radically changed. The policy is this: some of the best horses of the different breeds that could be purchased were placed on certain experimental farms in each of the provinces and it is possible for owners of what are termed premium mares to have the free use of these horses if at the time they give the government an option on the male progeny, which are to be placed with associations having a stipulated number of qualified mares, on the condition that association shall pay half the price. The option is taken at $500, which is subject to change from time to time if it should be considered more advantageous to put up these progeny at public auction. The association pays half the price of the horse and the government stands the other half; if the option price of $500 should continue, then these horses would be made available throughout their lifetime at a cost to the goverment of $250 per horse. A number of Percherons and Clydesdales, and only one Belgian, have been purchased up to the present.

Mr. DONNELLY: When were these horses bought? When did you begin to buy them and how many have you bought up to the present time?

Mr. WEIR (Melfort): The first one, a colt called Don Laet, was purchased in the spring of 1933, in Ohio, and it is stationed at Morden, Manitoba. The next was Chief Laet, owned by Michigan State college, which was purchased at the international exhibition, 1933. That horse is stationed at Lethbridge. Another Percheron Mel Laet the second, is stationed at Fredericton. Another Percheron, Black Diamond, was purchased at Ste. Anne de la Pocatière. A number of Clydesdales were purchased in Scotland in 1934. One of them, Windlaw Gayman, a five year old horse, remains at the experimental farm at Ottawa. He was a proven sire in Scotland. Strathmore James is at Lacombe, Alberta. Woodbank Agent is at Brandon, Manitoba, and Muirton Tide is in Saskatchewan at the Indian Head experimental farm. The Belgian was purchased at the international from the Michigan State college. It is to be placed in the province of Quebec.

Mr. DONNELLY: I just want to bring the minister's attention to the fact that on February 28, 1934, I asked him the question: Has the dominion changed or improved or extended its horse club policy, and if so what are the changes? I also asked if any stallions had been purchased or options taken under the said scheme, and the reply was, no. Now the minister tells me that they have bought seven.

Mr. WEIR (Melfort): I think there was a misunderstanding. The hon. member asked two questions. One was, was there a change in the horse clubbing policy? There was no change in that.

Mr. DONNELLY: In the answer which the minister gave a year ago he said that there were certain changes, and he was going to announce them. At that time he also said the policy had not been extended, and now he says it has.

Mr. WEIR (Melfort): There was no change at that time so far as the horse club policy was concerned. If there was an error it may have been because of the fact that I was giving one answer and two questions were asked. There was no desire on the part of anyone to state that horses had not been bought if they had been, because the records would be available to anyone.

Mr. DONNELLY: In connection with federal assistance to horse breeding, the minister gave the changes that had taken place in that policy. First he said there was no

extension of the policy at all, and then he gave us the changes. Then a year ago he said that horses had not been bought, and now he says that they have been.

Mr. WEIR (Melfort): No horses were bought under the horse clubbing policy.

Item agreed to.

Health of Animals, administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, $1,833,189.

Mr. REID: Has the minister any information as to how the experiments in the Fraser valley with regard to diseases of cattle are progressing?

Mr. WEIR (Melfort): The investigation is still being carried on. No definite conclusions have been arrived at from the information that is available, but investigations and research work is proceeding.

Mr. REID: There is another matter I should like to bring to the minister's attention regarding the controversy that has taken place during the past winter in British Columbia in connection with the pullorum disease of poultry. Regulations were passed in Saskatchewan and Alberta under which no chickens could be imported from British Columbia or elsewhere unless the poultry flocks had been tested for B.W.D. I think that comes under the health of animals branch.

Mr. WEIR (Melfort): Under live stock.

Mr. REID: In Saskatchewan and Alberta the veterinaries recommended what is known as the long test; I think the minister understands what I mean. That has caused a great deal of misgiving among the poultry men of British Columbia. In British Columbia they have been experimenting to a considerable extent with both tests, and while it is true that the dominion government provided financial assistance this spring so that the poultry men of the province might have their poultry flocks tested free of charge by the long test method, the fact remains that this question so far as our province is concerned is very much in doubt.

May I point out to the minister that the poultry men of British Columbia have made many tests in the matter, and while there is no infallible test for pullorum disease—I think that is generally agreed—if the method that has been adopted and pursued by Saskatchewan and Alberta, and approved by the federal department, is carried out it will mean an excessive financial burden on the poultry men of British Columbia. By the quick test method the poultry man can make the test himself and tell in a short time whether his poultry have pullorum disease or not, but if he is going to be compelled to carry out the regulations laid down by Saskatchewan and Alberta it will mean a cost to him of between six and seven cents per head of poultry. Not only that but Saskatchewan and Alberta do not go into poultry raising so extensively as British Columbia, and in Saskatchewan and Alberta the regulations provide that the whole flock must be tested. Such a regulation would work a great hardship with us because the average poultry man with a flock of one or two thousand head may have a breeding pen of only six hundred or so, and if he is compelled to comply with the regulations laid down by Saskatchewan and Alberta and approved by the federal department he will be out six or seven cents per head of poultry for every chicken on his place.

I am going to urge upon the minister that the whole matter be reviewed. I know that the veterinaries will contend that their method is the best, but as a poultry man and from the information that has been given to me I can say that neither of the two tests is infallible. You can test a chicken to-day for that disease and get a clear test, and to-morrow the chicken may have the disease. There is no infallible test. I think I am about correct in saying that it is impossible to tell which is the better method. One is just as good as the other. I appeal to the minister on behalf of the poultry men of our province who have now to comply with the conditions laid down by Saskatchewan and Alberta, and laid down, I think I am safe in saying, to prevent the selling in Alberta and Saskatchewan of day old chicks from British Columbia. Their regulations were engineered, I believe, by some hatchery men in Saskatchewan and Alberta, helped out by the veterinaries of the department. These regulations are aimed principally against British Columbia. British Columbia, of course, is carrying on just now under a provincial and a dominion policy, and they are carrying on this past season because they have been helped financially. We do not know what policy will be adopted next year, but if the health of animals branch insist that the test must be carried out as laid down by the veterinaries, it will mean a cost of six or seven cents per head of poultry to the poultry men of British Columbia. Not only that, but it takes from twenty-four to thirty-six hours to carry out the test, whereas under the method which has been tested both by the

university of British Columbia and by practical poultry men the quick test can be carried out on the spot by the plate method, which is just as effective. It means a saving of time and also a great saving of money. I have attended many of the meetings of the poultry men before I came here which were attended by the representative of the federal department and by the provincial Minister of Agriculture, as well as by leading poultry men, and being a poultry man myself I was able to follow the matter intelligently. What I am saying now I am saying in all good faith. I do urge upon the minister that this whole matter be reviewed because if the veterinaries are going to get away with it, it will mean quite a heavy expense to the poultry men of our province which they cannot very well afford.

Mr. BRADETTE: I want to say just a few words about the tuberculin test in my section of northern Ontario. There are three systems of inspection: first there is the plan applied in the two Cochranes; second there is the accredited area for pure bred cattle, and third there is the restricted area with government compensation for reactors. That is the test we want in our section of the country. The area is so wide that it is almost impossible for one veterinary or inspector to give all the necessary tests in our section of Ontario. It is true that the herds are rather small in comparison with those of eastern Canada or of the western provinces, but the fact remains that the test is very necessary in our new section of colonization and because of climatic conditions in northern Ontario. At least ninety-five per cent of the farmers and settlers in this section want to come under the scheme. At the present time no compensation is paid and the farmers feel they should be given some consideration when the farmers in the older sections of the other provinces are paid compensation up to fifty per cent. I think the minister will realize why these men are so keen to come in under system number three. I understand that the provincial government has asked the dominion government to restrict these sections. Everyone knows the development which has taken place in this part of the country, and more milk is being sold all the time. Children prefer cow's milk to condensed milk, and these farmers are in position to supply the domestic requirements of the two Cochranes. I make this appeal in all sincerity. We have had no quarrel with the large sums of money spent to bonus wheat or to assist the dried out areas in the west, but we feel that we should have the benefit of these tuberculin tests. It would be of the greatest benefit to these farmers. They are willing to have their herds tested and to make the necessary expenditures to provide graded stock.

Mr. WEIR (Melfort): If the farmers in the district to which the hon. member has referred wish to have their district made a restricted area they must first petition the provincial government. A vote will then be taken and if two-thirds of the cattle owners within the area are in favour, the province then submits the petition to the federal government. It is then brought before the governor in council when a decision is made as to whether or not the district shall be declared a restricted area. My information is that no petition has yet come forward from the provincial government, and until this is received this government can take no action.

Mr. BRADETTE: Would the first move have to be made by the provincial or federal government?

Mr. WEIR (Melfort): The farmers of the district petition the provincial government; then it comes to the federal government.

Mr. BRADETTE: Does that apply to every farming section? It must be remembered that many of our townships are still unorganized and it would be very difficult to take a vote in view of the distances. For instance, it is nearly three hundred miles from Hearst to Ramore and there are similar distances to be covered in the Porcupine and other districts. I think the minister will realize that it would be impossible to take a vote under these conditions.

Mr. WEIR (Melfort): The vote does not have to be taken on the basis of townships, but that is the only way under the act in which the federal government can set aside a restricted area. I understand that the work is usually done by district representatives.

Mr. BRADETTE: I have another request to make. For years I had asked that a poultry promoter be sent to my district, and this was finally done in 1933. Mr. L. J. Maltais was appointed as poultry promoter but he was withdrawn after he had been there but a month and a half. He had got a number of farmers interested in poultry raising and general agriculture, and certain expenditures had been made at the time he was withdrawn. I have in my hand a letter from the Department of Agriculture stating that this man was withdrawn because of the need of economy. But this is false economy. We do not object to the millions of dollars

spent for wheat bonusing; we are quite satisfied that the farmers in the west should be helped by the federal government, but we cannot understand why this man should be withdrawn. He came to the district quite early in the spring and held conferences with the farmers. Some of the farmers spent considerable money in the purchase of lumber and other supplies with which to erect hencoops, and then this man was withdrawn at the beginning of the summer. His salary was not very large, yet the statement was made that this action was taken because of the need for economy. Across the border in Quebec in a district not so large and not so wealthy one or two poultry promoters are maintained. I believe the minister wants to be fair to our section, and I always point that out in my constituency. Surely the federal government can spend a little money to help the settlers in this part of the country, as there is almost an unlimited domestic market for eggs and chickens. The department stated that they were well satisfied with this man, and I believe the population as a whole thought he was all right. He made some expenditures himself in the purchase of a car and so on, but I suppose that is a secondary matter. I do not think we have been unfair in our demands on the federal department, and I think a poultry promoter should be sent immediately to our section of the country.

Mr. WEIR (Melfort): Although this matter does not come under the vote we are discussing, I shall answer the hon. member's question. In the first place, the letter to which he referred and which was sent out by one of the officials of the department did not make a correct statement, as the change was not made for purposes of economy. This matter will be looked into and inquiries will be instituted as to why a misleading statement was made. That was one of the subjects discussed at the interprovincial conference with the ministers of agriculture—that the work of production is more provincial than federal. In Ontario there is a large number of district representatives, and there are district representatives in the province of Quebec also, whose special duty it is to do work of this kind. I will look further into the matter and shall be glad to bring it to the attention of the provincial government at Toronto, that this work is not now being carried on by them as it was understood it would be. No one appreciates more than I do the importance of giving greater assistance to the outlying pioneering districts than is given to the older districts that have more advantages right at their door.

Mr. BRADETTE: I think I was right in stating that this was done for the sake of economy, because I have here a letter—

Mr. WEIR (Melfort): I did not question the hon. gentleman's accuracy in regard to his authority. What I said was that the officials of the department were wrong in stating that it was in the interests of economy.

Mr. BRADETTE: I would ask the minister if it is at all possible to let us have the official at the earliest possible moment. I do not know any section in Ontario where there is a poultry promoter under provincial control. The official sent out two years ago was from the federal department and he gave entire satisfaction to every section. I hope the minister will appoint another man or the same man as soon as possible.

Mr. NEILL: I endorse strongly the representations made by the hon. member for New Westminster (Mr. Reid) in connection with the testing of poultry. Everything he said I can endorse from my own experience with poultry men in my district. There was a large number of poultry men in my district but the number is getting smaller every year; they are being frozen out, and this system will not help them. They are up in arms and I support their attitude. They agree that a test is necessary; they are as keenly aware of the need for it as any department of agriculture can be, because it is their bread and butter. But they claim that they are being grossly put upon by the system imposed upon them. It is a case of some official having said, "We will do so and so," and once having put his foot down he will go ahead in spite of all representations made. I am not referring to the minister but to some official; once the official makes that decision that ends the matter. These men say that a better system has been discovered, a cheaper system which they can carry out themselves, and besides being cheap it is quick. They take the bird and the test is made instantly and there is no further trouble. But with the system followed by the department the bird is often retarded from laying for two or three weeks, because so to speak it is a major operation. A lot of complaints come in that the birds are delayed from one to three weeks in laying. I would be the last to say that there should not be this test

if it were the only way; but I do not think it is seriously denied that the new system known as the quick test is ample, and it is far better for the reason I have stated. The poultry men are desperately hard up for the reason, amongst others, that they have not that support from the government which they might expect in connection with freight rates. And here they are met with a substantial tax. It is all very well to say that it costs only a few cents; but if you have four thousand birds being tested at from five to seven cents each, that is a serious item, when you do not get enough to pay for their feed. I should like the minister to make an announcement as to whether he will not investigate the quick test and accept that in lieu of this older and much more extensive system. Possibly the answer will be that Alberta wants this test. Well, the Department of Agriculture have some influence with the department in Alberta and could make fitting representations. It is a very serious thing indeed for the hard pressed poultry men in British Columbia.

Mr. WEIR (Melfort): I appreciate the fact that even one cent a chicken makes a big difference to income in large flocks. There have been different ways of testing for the presence of the disease pullorum, and it was at the instigation of the provinces, who asked that an official test be agreed upon so that there would be uniformity, that it was laid down that the tube test method should be adopted as the most accurate of all tests known, although none of the tests are infallible. The authorities who have done most work in various countries are of the opinion that so far it is the most accurate test that has been discovered. Other tests have been used, but the tube test method has proved the most reliable. The test referred to by the two hon. gentlemen who have spoken is in the experimental stage. It has not yet been accepted as being as accurate as the test I have mentioned. There is nothing that the department would rather do than adopt the test to which they referred as soon as it has been verified, although we have had no complaints from any of the poultry breeders in British Columbia against the test that is being used there. It is not necessary for them to use that test unless they wish to trade with other provinces. The whole matter is this. The different provinces asked for a uniform test, and the authorities in the best position to advise did advise that the most accurate test was the one that is being used. The other is in the experimental stage and as soon as it is admitted that it is as accurate as the test I have discussed, and the cheapness of it is established, it will be, I should say, favourably considered.

Mr. NEILL: Did the minister say he had received no complaints from the poultry men of British Columbia?

Mr. WEIR (Melfort): As to the effect on the birds. Comparatively recently a committee of the poultry breeders in British Columbia have sat in with their minister of agriculture and agreed on this method that is being followed at the present time. I can assure hon. gentlemen that very careful consideration will be given the statements they have made in this connection.

Mr. HOWARD: In view of the large number of horses killed in the eastern townships last year, supposed to have been affected by glanders, has the minister had any further investigation made, and has he any statement on the matter?

Mr. WEIR (Melfort): A very full investigation has been made with regard to horses tested for glanders. As soon as it was discovered that glanders existed, the most experienced veterinaries in the service were sent to the area to deal with this outbreak. Colonel Tamblyn was sent to the district and performed a number of post mortem examinations along with other veterinaries who wished to be present to demonstrate beyond doubt that it was glanders. Others asked for post mortem examinations, but in this disease there is danger unless the examination is carried out with the greatest care. I think what the hon. member has in mind is that some of the horses tested, that were suspicious, were not destroyed, while other horses that were tested, and did react, were destroyed. It was within the option of the owner of a horse, if it was tested and reacted for glanders, to request that it be not destroyed, and if he could give an assurance that that horse would be kept in absolute isolation for further tests, the department if it could satisfy itself that the undertaking would be lived up to without danger of the disease being spread, would quarantine the horse for further tests.

Mr. MYERS: Has a request come from the Prince Edward Island department of

agriculture for a retest of the cattle in that province, and what is the intention of the federal department in the matter?

Mr. WEIR (Melfort): A request has come and a test will be proceeded with.

Mr. MOTHERWELL: How many outbreaks of hog cholera have there been in Canada during the last twelve months and where have they been located?

Mr. WEIR (Melfort): We do not know the number of outbreaks, but this statement gives the number of hogs slaughtered to December 1, 1934, with the compensation given:

Province—	Number of hogs slaughtered	Amount of compensation
Quebec	1,351	$ 9,737
Ontario	1,679	9,489
Manitoba	1,146	6,663
Total	4,176	$25,889

Mr. MOTHERWELL: That would represent half a dozen different places, would it? It does not say how many different places.

Mr. WEIR (Melfort): The record does not set out the number of different places, but I am informed that there would be at least thirty or forty different places where there was hog cholera.

Mr. MOTHERWELL: That is an unusual record for hog cholera. I am afraid the minister has been trying to economize a little too much on this appropriation and I am glad to see that he has increased it. Hog cholera in years past used to be kept down almost as strictly as glanders was. As a matter of fact glanders was almost exterminated in Canada. Now we find it bobbing up anywhere. I have not heard of it until recently in the eastern townships and I do not know how many cases there were then. We used to have outbreaks in New Brunswick opposite Maine. Logging teams coming over from the woods of Maine would sometimes bring the disease over with them and great care had to be exercised to prevent its coming over in the embryo stage and breaking out in Canada. These are virulent diseases that spread with great rapidity. I am not blaming the minister; he can spend only what money is voted, but it is only by the exercise of eternal vigilance that these diseases can be kept down. All these outbreaks of hog cholera indicate a skimping of the inspectional staff that has been so vigilant in years past. I do not want to criticize severely, but I hope the increase that is being made in this appropriation will be used in strengthening the inspectional staff numerically and that an endeavour will be made to keep down these losses which mean a tremendous amount to the individuals upon whom they fall.

Mr. WEIR (Melfort): Perhaps I misled the hon. member for Melville. There were outbreaks in two centres but in about thirty or so premises.

Mr. BEAUBIEN Is the epidemic of hog cholera in southern Manitoba pretty well in hand?

Mr. WEIR (Melfort): Yes.

Item agreed to.

Experimental farms, including investigations concerning plant diseases, $1,937,898.

Mr. MOTHERWELL: This was the appropriation on which the minister was going to give us an explanation of the policy of the government with respect to the drought areas in the western provinces. Possibly he would like to elaborate what he has already said and thus dispense with a number of questions that would otherwise be necessary. I should be very glad to hear him disclose his policy. I have before me some newspaper clippings taken from such a reliable authority as the Toronto Mail and Empire, which should be good enough for a good Conservative, indicating the intention of making a sort of crown colony of that western country, taking over the whole thing. We do not want to be hypercritical about how the assistance is to be given, but it occurs to some of us that some sort of co-operation between the federal and provincial governments might be practised to advantage in carrying on this tremendous work, because it is a tremendous task.

Mr. WEIR (Melfort): The appropriation now under discussion, that is experimental farms, does not include the money for this work that is contemplated and that is to commence almost immediately now in connection with the drought areas in the three prairie provinces. So far as many newspaper reports are concerned, I think the hon. member for Melville has perhaps had somewhat the same experience that I have had, that one reads more in the press about what is going on in one's department than either the officials or the minister himself could have any idea is supposed to be going on. There is no thought in the mind of the federal Department of Agriculture of changing its policy

of cooperation with any provincial department of agriculture. This is really an extension of survey work that has taken place during the past two or three years and a continuation of undertakings that were started in 1927 as a result of the work commenced at the Manyberries station. Illustration stations have been set up in increasing numbers throughout this area to deal with various small districts as one farm, but it was felt, because of the smallness of that experiment and the undue effect of local conditions, the work should be extended to include larger areas. It was decided with the cooperation of the farmers on the land to increase the number from twenty-one to forty-one. In addition to that there will be new areas in cooperation with the farmers of two sections. Besides that, it is contemplated to set up five townships of thirty-six square miles each one in Alberta, three in Saskatchewan and one in Manitoba. Some of those will be used in an endeavour to demonstrate that even with a continuation of the drought, results even better in many cases than under present conditions can be achieved. The first aim is to demonstrate, in conjunction with what knowledge we already have, whether or not if the drought continues farmers can by certain practices do more towards obtaining a livelihood than they are doing at the present time. I believe that there are many farmers in the drought area who if they had sufficient capital—for their capital has been drained over a period of years—could have available at all times seed such as fall rye or sweet clover or grasses so that when there are rains throughout the summer after the wheat is put in they could seed some land with these grasses and have at least some feed for the winter. It is to demonstrate some of those things that these experiments are being conducted; also how far we should use the strip farming system. I may say this for the information of hon. members, especially those from the west, that for the last two or three years in these illustration stations the cultural practices adopted have shown better results than those obtained by the average farmer in the neighbourhood. It is true these stations have been selected with considerable care and it is not altogether fair to compare work done in them with the work done by the average farmer in the same neighbourhood. In addition to illustration stations, outstanding farmers will be assisted financially in this connection in carrying out some of their own ideas under supervision. Where it is felt that conditions are suitable, some townships will be used for the planting of trees, because there are instances even in almost the centre of the drought areas where certain farmers believe they have obtained better results by the use of shelter belts not only around the buildings but fairly extensive belts throughout the farm. This supervised work will take in almost all conditions in the west, on areas of greater size than the smaller illustration farms. In addition we also purpose undertaking investigational and demonstration work in areas that have been abandoned entirely, for the purpose of seeing what can be done to reclaim them. Furthermore a survey has been made, and I believe last year close to a thousand applications were made at Manyberries station alone to Mr. Thompson, the officer in charge, for expert advice and assistance with reference to the making of small dams to obtain a larger supply of water. These may be just mud dams with a small spillway that farmers can build themselves, but they require engineering advice as to where they should be situated. Then there is also need for larger dams costing from $10,000 up to $15,000. By holding the freshets in the spring they might assure to farmers or ranchers a supply of hay and green feed for the winter and for a dry year. It was felt that because of the nature of this work and what has been done by our federal officers this clean cut program should be set out and put under the supervision of the experimental farm system. Thus there is no lack of cooperation with the provinces. The same rule will apply in this work as has applied—for it is an extension of work that has been done in the past—that is, a full measure of cooperation.

Mr. MOTHERWELL: Then I understand that the system of demonstration plots which was established about twelve or fifteen years ago more or less all over Canada has been evolving into these larger plots. For instance, south of Yellow Grass in the burnt-out area there is a plot consisting I think of a half section. North of Piapot near Maple Creek there is another. I think in the last few years a whole section has been devoted to demonstration purposes, trying to overcome some of these terrible difficulties that have prevailed in that area for some years. The proposal now is to extend these demonstration plots into five larger areas each eighteen miles square, and continue the practice of experimentation and demonstration, including the planting of shelter belts in suitable places, the making of dams, and the digging of reser-

voirs. I have no exception to take to that; but we have always been doing something of that, if not by the Department of Agriculture by the provincial public works or highways departments. Since 1914 a large number of dams and reservoirs in suitable runways have been constructed. This is merely an extension or an evolution of what has been taking place for many years. Does the minister not think that the first thing to do in that country is to try to keep the soil at home? Some of those areas we must admit are unsuitable for tilling; every time you stir the soil with a plough or any other implement it takes wings and off it goes and lands in Ontario or somewhere, just as Oklahoma and Kansas and Colorado, are now sending their dust storms north, so that probably some of our lost prairie land will be restored to us. But I think everyone admits now that some of those areas should not have been cultivated, although in wet years they grow good crops of the highest quality. There is no part of the west that has grown larger and better crops in wet years than that same area. Nevertheless there are some marginal lands, and if we want to keep them at home they must at the earliest opportunity be seeded down, through government support in some form. Two or three years ago the federal Department of Agriculture started out bravely enough distributing small amounts of grass and clover seed, but so far as my information goes very little of that was done in this dried out area. It should be done there, for even if only thinly seeded it will soon spread. As a matter of fact there is a large area between Medicine Hat and Brooks that has gone back to grass, has a fine sod on it, better than the prairie. But that had not been under tillage very long, consequently it was not difficult to regrass naturally. But as to this area we are talking about, which has been under tillage for a quarter of a century, a lot of it will take a long time to regrass. It will soon get covered with some form of vegetation, however, for nature abhors a vacuum; the Russian thistle will soon cover it and perhaps hold the land from drifting. But something of more value than the Russian thistle should be introduced—grasses and clovers including crested wheat grass which survives the drought better than any other known grass so far. I think the federal government will have to take charge of that and seed down those large areas in cooperation with the prairie provinces, as it is to them these abandoned lands will revert automatically.

I do not know whether or not the minister contemplates establishing what we call district representatives. I recall that back in 1914, when the first tremendous drought struck that area, the dominion government of the day became quite anxious and established district representatives without consulting the provinces at all, so we had two sets of these officers, one representing the federal and the other the provincial government. I submit that that should be avoided as far as possible, and I am sure the minister knows the enormity of that undertaking. If there is any way at all, by friendly cooperation with the provinces, of avoiding overlapping, against which the minister has always expressed himself, I hope that will be done. I assume that this abandoned property naturally reverts to the municipalities, because of the unpaid taxes, or else to the provincial government. How does the minister propose to overcome that situation and at the same time seed down these larger provincial or municipal areas which have been found to be unprofitable except in the very best years?

Mr. WEIR (Melfort): With reference to the distribution of grasses, the same distribution—and perhaps more so—has been made in the drought area that has been made in the other parts of the province.

Mr. MOTHERWELL: Perhaps the minister will tell us how they succeeded?

Mr. WEIR (Melfort): The difficulty was that because of the small plots that could be seeded with the grass seed given them, they were blown out, and results were not satisfactory. Perhaps another reason was that they were seeded in the early part of the year, whereas the intention now is to have a supply on hand when moisture does come, and these grasses can be seeded late in the fall or early in the spring. It is not only necessary to have a relatively large supply of seed; we feel that it is necessary to have enough seed so that it can be almost wasted in these localities. It very seldom happens that a plant particularly suited to the drought area is suited to other areas, yet it was necessary to obtain a supply of grass seed, and that was one of the investigations we carried on. Much to our delight it was found that this grass seed suitable in the south in particular also does very well in the north, so much so that it will increase from two pounds to six hundred pounds an acre. The best of that seed has been retained and is being distributed in the north, under very careful supervision to hurry its propagation. Investigation was carried on in connection

with the difficulty of getting nurse crops to assist these grasses, and it has been found that the natural nurse crop of brush and thistle, when ripe, is perhaps the best that we can get.

Mr. HOWARD: I just wanted to make an appeal to the minister. In the section from which I come we have one of the finest experimental farms in the dominion. An experimental farm is valuable inasmuch as it renders service to the public. We also have a very large acreage almost bordering on the experimental farm that has been entirely destroyed due to the acid from the mines which was carried over the land in a flood period several years ago. These cases have been before the courts for some three years; finally a settlement has been arranged, but about thirty farmers are left with this eyesore in one of the finest sections of that part of the country. I think it only right, and I ask the minister to see to it, that the employees of the experimental farm assist these farmers in getting that land back under cultivation.

Mr. WEIR (Melfort): Experiments are being conducted with that in mind.

Mr. BOUCHARD: May I ask the minister how many illustration farms there are in the constituency of Kamouraska at the present time?

Mr. WEIR (Melfort): I do not think we have the information in that form, but I shall be glad to give it to my hon. friend.

Mr. MOTHERWELL: Does the opening of a new experimental farm near the town of Melfort mean the gradual elimination of the Rosthern farm?

Mr. WEIR (Melfort): No, it will not affect the Rosthern farm in any way. A certain program has been carried on in connection with the Rosthern farm; that is being enlarged and proceeded with. There has been no change in the policy in connection with the Rosthern farm as the result of the establishment of the Melfort farm, nor will there be any such change.

Mr. MOTHERWELL: I happened to be up in my hon. friend's area last harvest, and there was a good deal of discussion about the experimental farm at Melfort. Of course all rumours must be discounted a good deal, but at that time it was rumoured that this property had been expropriated without the consent or knowledge of the owners, and that the two farmers who formerly owned the property knew nothing about it. I do not know that this would be particularly harmful; indeed if the government thought they were going to miss the opportunity of getting the property that would be the correct thing to do, though of course it is desirable to avoid it if possible. Perhaps the minister will tell us why that particular property was chosen. I understand that it is three or four miles from the town of Melfort and not very accessible to visitors. Perhaps all these matters will be explained to the committee. I should like to know just why that choice was made. I do not suggest there was anything improper about it; so far as I know it is quite suitable, but they seemed to be in a great hurry about it. Temporary stables were rushed up and cattle were sent there just at the beginning of winter, when there was no shelter for them. There seemed to be just a certain amount of time and everything had to be done within that time limit. I am sure the minister will be able to clear up the situation with a word.

Mr. WEIR (Melfort): The owners of the farms were negotiated with and it was understood that they were willing to accept certain prices. Then difficulties arose and it was decided that it would be fairer to everyone concerned to make it a matter of expropriation. This farm was selected as being typical of that area. It was not intended that we should have an ideal farm, because an ideal farm would not provide a fair comparison for the problems existing in that district. The farm is situated on the highway and is readily accessible from Melfort. I believe the corner of the farm is about two miles from Melfort. There was no particular rush in connection with the farm; its establishment had been contemplated for some time, for the reason that in this whole area, extending from Dauphin to Lloydminister, no farm existed. The conditions in that area are very different from the conditions with which the Rosthern farm has to deal, and for a good many years it was felt that a farm should be established in that area. I believe the hon. member gave that question very serious consideration when he was Minister of Agriculture.

Mr. MOTHERWELL: Perhaps the minister will tell us where the foundation live stock that we sent to the Melfort farm came from.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 26, 1935

The house met at three o'clock.

MR. J. E. LAURENT

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, on March 14 I inquired of the Postmaster General (Mr. Sauvé) the amount paid each year to Mr. Laurent of Montreal. I was promised that I would have this information last week but so far I have not received it. I should like to know when I will have it.

Hon. ARTHUR SAUVE (Postmaster General): Mr. Speaker, it was my intention to give this information to the hon. gentleman to-day. On March 14 when the estimates of the Post Office Department were under consideration the hon. member for Témiscouata (Mr. Pouliot) asked for certain details in connection with a temporary contract awarded to Mr. J. E. Laurent for the carrying of parcel post and mail matter in Montreal. At that time I stated that I had not all the details but would furnish all the information to be found in the department as soon as possible, some of the details dating back as far as four years. I have been informed by the officers of my department that before May 1, 1932, the carrying of mail matter between the post office and the Stephens building in Montreal was done exclusively by the department. At that time the department maintained a garage containing eight trucks and one motorcycle. The cost of gasoline, oil, et cetera, amounted to $4,977.06 while $19,920 was paid in salaries.

Mr. POULIOT: Mr. Speaker, I rise to a question of privilege. The information now being given by the Postmaster General is entirely outside of the question I asked. I wanted to know the amount paid to Mr. Laurent each year and the minister is now making an apology for his dealings in the matter.

Some hon. MEMBERS: Order.

Mr. POULIOT: I do not want to waste the time of the house.

Mr. SAUVE: I want to give an explanation to the hon. member for Témiscouata, in accordance with his questions.

Mr. SPEAKER: I would point out that under orders of the day questions are directed to ministers of the government only with respect to matters of policy and so forth. In view of the nature of the question asked by the hon. member for Témiscouata (Mr. Pouliot), I think the answer should be as brief as possible and there should be no argument or debate with respect to the subject matter of the question.

Mr. SAUVE: Further costs were: garage, $4,644; depreciation, $3,454.22; interest on capital invested, $829. The total cost of this service was $33,824.28. By reason of difficulties we met in the control of this service, and also of the abuses we discovered, the department had to dismiss employees and thought it advisable to try a new method, that is, to give this service to a contractor for a trial. The contract was awarded to Mr. J. E. Laurent at $27,000, as I said, including the insurance and all the obligations and responsibilities relating to the service. The new method being a trial, the department has adopted the principle of a temporary agreement, which the previous administration had followed from 1921 to 1930, in regard to the Canadian Transfer Company. Under the present contractor this service, from March 1, 1934, to February 28, 1935, has cost the department $28,593.60. But it is due in part to the fact that the normal increase of the parcel post in Montreal has advanced by about seven per cent. These two services cost the department, before Mr. Laurent, $57,220.53.

Mr. POULIOT: I rise to a point of order. There are only two official languages, English and French. The minister is now speaking the Esperanto language, and no one has understood a word of what he has said. Therefore he should translate either in plain English or French what he has already said in Esperanto.

Mr. SPEAKER: Order.

Mr. SAUVE: If Mr. Speaker understands it, and the house, I am satisfied.

Mr. POULIOT: It is Esperanto.

Mr. SAUVE: Since Mr. Laurent has had the contract, the services are costing the department $55,593.60. Not only has the service been improved but the rolling stock has also been improved to answer the needs of the postal service. The contractor, instead of putting in eight hours a day as previously, must work two extra hours as his trucks

must leave at six o'clock in the morning instead of eight o'clock on account of the signal system, and for other reasons. In spite of the increase in the parcel post in Montreal and the improvement in the service, the department realized last year a saving of $1,626.93.

MILITARY EXPENDITURES

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I have a question to direct to the Secretary of State. On February 18 last an order was passed in my name for a statement of all expenditures for military and police purposes since the present government came into office in August, 1930, including expenditures for the said purposes, actual or contemplated, under the Public Works Construction Act, 1934. I would remind the minister that on March 11 he made a statement—I will not take the time of the house to read it—in which he said that it would take at least two weeks longer to get the information. I would remind him further that the two weeks has expired, and two days in addition thereto, and that it is five weeks and two days since the order was passed.

Mr. SPEAKER: Will the hon. member be good enough to state his question?

Mr. SANDERSON: The question is, When may I expect the information?

Hon. C. H. CAHAN (Secretary of State): Just as soon as the clerks of the different departments can obtain the information and put it in typewriting.

PURCHASE AND SALE OF GOLD

On the orders of the day:

Mr. THOMAS REID (New Westminster): According to press dispatches the United States government is offering gold for silver. Is the government considering taking up that offer with a view to augmenting the gold stocks of the country?

Hon. E. N. RHODES (Minister of Finance): I will look at the question submitted by the hon. gentleman, but I take it that the answer will be in any case that the government will pursue the policy which it has hitherto followed of disposing of Canadian gold at the highest market price, whether in the United States or Great Britain.

[Mr. Sauvé.]

RELIEF TO MUNICIPALITIES

On the orders of the day:

Mr. A. M. CARMICHAEL (Kindersley): I have a question to ask, which perhaps might properly be answered by the Minister of Agriculture. I have here a letter from the secretary of the rural municipality of Kindersley in regard to the borrowing of money from the banks for taking care of spring relief, buying seed, feed and tractor fuel. He states that the bank refuses to loan money to the municipalities on provincial government guarantees. They state that they will not advance any money until the dominion acts jointly with the province in guaranteeing the loans. Has such a request been made to the dominion government and if so what action is being taken?

Hon. ROBERT WEIR (Minister of Agriculture): The hon. member's question will be taken as a notice. It will come under the Finance department, although it is primarily a provincial matter.

ILLUSTRATION STATION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): On Monday, March 18, I inquired of the Minister of Agriculture whether he was considering the establishing of another illustration station north of the North Saskatchewan river in northwestern Saskatchewan. He did not have the information that day but he promised an investigation and reply. He has not yet given the reply. Can he give it to-day?

Hon. ROBERT WEIR (Minister of Agriculture): No. I have not the information at hand but I shall be glad to send it to the hon. member.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Friday, March 22, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. J. L. RALSTON (Shelburne-Yarmouth): With those on this side of the house I have listened, as we always listen, with a great deal of pleasure to my hon. friend the Minister of Finance (Mr. Rhodes) in the presentation of his annual budget

speech. We listened this time with perhaps rather more interest, because we realized that the Minister of Finance was playing the leading role in the farewell performance of this government in that annual play of lights and shadows which is called the budget. I wish to congratulate my hon. friend, as I always can, on the way in which he filled the role. He lived up to the best traditions of the high office which he occupies. But I do feel that when the time comes for the authors of the piece—and after all many a good actor is spoiled by the lines he is given—for his collaborators, his colleagues in the government, to come before the curtain, the results in the nine by-elections which have already taken place and in the four provincial elections indicate pretty well the reception which they will get.

My hon. friend's speech was, if I may say so without offence, a bit dreary. I noticed a number of hon. members opposite who succumbed to the arms of Morpheus during its delivery and there may also have been those on this side who did likewise; I do not know. But there was to those of us who sit on this side of the house at least one very interesting feature of the budget, and that was the indication which ran like a red thread through the whole speech that at long last the government had come to realize that the trade and tariff policies which had been nearly the ruination of this country for the past four years had been futile. We were reminded—and I shall compare portions of what my hon. friend said in his budget speech with them—of some utterances which were made just before the last election and which were couched in an entirely different tone from that employed by my hon. friend the other afternoon. I refer to the speech of the Prime Minister at Vancouver when he said:

> 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.

Some hon. MEMBERS: Hear, hear.

Mr. RALSTON: If my hon. friends will applaud—what is the fact—that in the last year the total trade of Canada was just one-half the average trade of the last five years of Liberal rule, they will realize how successful that driving has been. This is another speech made in Winnipeg when he said addressing the farmers:

> 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.

And then at Victoria he said:

> It is true we must have foreign markets—

Some hon. MEMBERS: Hear, hear.

Mr. RALSTON: There are signs of conversion even across the way among my hon. friends.

> 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 worldwide basis with any exportable surpluses. We do not have to worry about that.

What a change there has been. After these speeches the Prime Minister went to Great Britain in 1932 with his policy of blasting a way into the markets of the world, having made a ten per cent increase in tariffs before he went, and demanded that they must take steps without delay; that there was no room for compromise; that it was a time for plain speaking; that they must decide once and for all, and my right hon. friend with his musket on his shoulder, a machine gun under one arm and an ammonal tube under the other started out to blast a way into the markets of the world. The government put up tariffs; in 1930 they raised the tariff on one hundred and six items; in 1931 on a hundred and twenty-nine items and in 1932 on one hundred and thirty-eight items or a tariff increase on three hundred and seventy-three items altogether. They invented a new form of dumping duty, a provision whereby valuations for duty purposes should be based not on the domestic price of the goods which were being imported but on the cost in this country. That however was not good enough and they changed it next year so that valuations need have no principle, no standard whatever in order to be fixed by the Minister of National Revenue. They put on exchange dumping and they provided for seasonal valuations; they did everything they could to provide for exchange controls and invented every possible device by which the business men and consumers of this country might be irritated. That was all done as a means of blasting a way into the markets of the world. Now, having led the world in that, having taken a place in the vanguard of economic nationalism, because that is what they did, having

proclaimed the doctrine of Canada first, they come here in 1935 with the Minister of Finance giving utterance to these words:

The unsatisfactory conditions in agriculture and certain other primary industries are in the main due to the low level of international trade resulting from the spread throughout the world of exaggerated economic nationalism, excessive interferences with trade through quotas and exchange controls, and fluctuating currencies.

I say that we welcome this budget in that it indicates at least a last-minute repentance, a last-minute change, an admission now that the tariff policies which were laid down in 1930, 1931, and 1932 were wrong.

Mr. DURANLEAU: Not at all.

Mr. RALSTON: The Minister of Finance in the budget speech mentioned in one place:

The obstinate adherence to extreme policies of economic nationalism.

But he is not alone in that; his right hon. leader went to Kingston the other night where he is reported in the Ottawa Journal of February 21 to have said:

With the Aladdin lamp of modern production at their elbow, with large sections of their population in want, tariff barriers are erected, quotas established, exchanges controlled, in an ever-failing effort to restore the productive machine by creating a semblance of scarcity.

With all due respect, to hear this government rebuke economic nationalism sounds extremely like Satan rebuking sin. Could one imagine a more complete turnover than that which is evidenced by the sentiments in the budget speech, by the boasts which are being made, not about blasting our way into the markets of the world, but about reductions in duties and apologies for increases in tariffs on the ground that they are made on the recommendation of the tariff board? That does not sound very much like the government of a few years ago. To-day the order of the hour is to see how many duties can be reduced. Why? In order to curry favour with the people of the Dominion of Canada who realize that the avenues of trade have been blocked for the last four years, resulting in this country being reduced to its present condition. That is one of the things which is interesting in this budget. Then, in order that my hon. friend may indicate how much interested the government has suddenly become in international trade, you will find in the speech reference to negotiations with the United States. The minister boasts of reductions in tariffs. I will undertake to say that very seldom have you found a Tory budget speech boasting about reductions in tariffs. But on page 1988 you find this:

Reference to the fact that to-day's resolutions add no fewer than twenty important commodities to the free list under the British preferential tariff provides an opportunity to point to the record of this government in that regard.

Some hon. MEMBERS: Hear, hear.

Mr. MOTHERWELL: Too late.

Mr. RALSTON: As my hon. friend the former Minister of Agriculture (Mr. Motherwell) says, it is a bit too late.

An hon. MEMBER: Don't you hate it.

Mr. RALSTON: I wonder if it has anything to do with elections? I wonder if it is part of the reform program? I wonder if it has been induced by the results of the by-elections last September? Have they caused this government to see the error of its ways and to realize that the thing to do is to remove the barriers to trade rather than put up others? It is possible.

I want for a moment to make an examination of one or two items in the tariff to see whether close examination reveals a real change of heart, or whether like other features of the reform program it is mostly on the surface and by way of pious phrases. The woollen schedule has interested the people of Canada for the last two years particularly. The woollen schedule includes goods used by those engaged in the primary industries, by the ordinary citizens of the dominion. The woollen industry has been the subject of representations to the government and to the tariff board. In 1932 I pressed on the government one particular item in the woollen schedule, item 554 of the tariff, as to which I contended that the duty under the British preference was practically 61 per cent on most goods coming under that item. That was an inclusive item which covered clothing and material used in clothing for the ordinary individual in this country. Why do I say that the duty was 60 or 61 per cent? Under the British preference the duty was 27½ per cent ad valorem and added to that was 18¾ cents per pound specific duty. Taking the cost of the average material under that item used by the average man it worked out at 61 per cent. What do we find under this budget? Three of the forty-seven items on which there is a reduction under the British preference have to do with the woollen schedule. And what is the reduction under the professions made by my hon. friend in respect to his conversion to lower tariffs? The 27½ per cent ad valorem still remains

on this item, but the specific duty has been reduced, the 18¾ cents per pound now becomes 17 cents. A reduction of 1¾ cents per pound. I made inquiry and I am sure that it does not mean more than 2 per cent reduction, and it may not mean more than 1 per cent. So I think I am correct in saying that in respect to at least some items in this schedule, which is a most important one to the average people of this country, there are shown no very substantial "works meet for repentance." The Minister of Finance took up the time of the house putting these three items in the schedule and calling attention to the reductions which had been made. I call attention to the hollowness of those reductions, when one comes to compare them with the tariffs that existed before.

I find another interesting item; overcoats for fishermen, farmers, miners, lumbermen, get only 1 per cent reduction, but overcoats for tennis balls go on the free list altogether. They had 27½ per cent ad valorem against them and 18¾ cents per pound specific, but now Melton cloth to cover tennis balls has been put on the free list as far as the British preference is concerned. That is the gesture my hon. friend makes to the people of this country on the woollen schedule.

I find another class of articles which have been put on the free list, toy construction sets. I understand that in the course of a year there are perhaps $25,000 to $30,000 worth of those goods coming in; not a very large item. The question has occurred to some on this side of the house: is it possible that this has something to do with the government's relief construction program, that these toy construction sets are to be used in connection with that toy relief bill on which $40,000,000 was voted last year and in connection with which only $8,000,000 has been spent? I submit that taking items like the woollen schedule and toy construction sets and counting them as reductions would rather indicate that this program is very much related to that reform program, and that there is just about as much substance in this reduction of tariffs and about as much relief to the consumer as there is to the aid to be given the taxpayers of the Dominion of Canada by their national economic advisory council that is going to sit twice every year as part of the reform program. Or there is going to be just as much benefit to the consumers of Canada from these nominal reductions as there is to the working man who is out of a job to-day by reason of the fact that there is going to be an unemployment insurance act on the statute books whereby provided he has paid contributions for forty weeks he may be able to get some insurance for a few weeks when he is out of work.

I suggest, Mr. Speaker, that perhaps one might say without offence that this whole program of reform and of tariff reductions takes somewhat the form of a make believe program. It is a sort of "let's pretend" reduction and the budget itself as far as reductions in tariff are concerned could, I think, fairly be classed as a make believe budget.

I notice another item. I notice that slipper cloth is substantially reduced.

Mr. VENIOT: For the sleepers.

Mr. RALSTON: I think there will be lots of opportunity for the use of carpet slippers on the part of my hon. friends opposite after the next election, when they may warm their feet by the winter fire instead of coming here. Possibly it may have been self-interest to some extent, not at all corrupt self-interest, which influenced the reduction of that particular item. We on this side of the house submit that that tendency, that feverish anxiety which is suggested in the budget regarding international trade and the confession of the undesirability of economic nationalism, is a belated and ludicrous attempt to make the people of Canada believe that the government have been converted.

Turning now for a moment to the matter of an agreement with the United States, my hon. friend the Minister of Finance took a good deal of space in his budget speech to discuss negotiations with the United States. There was a time when negotiations with the United States were not to be mentioned among Christians, particularly on the opposite side of the house. The right hon. Prime Minister in 1911 is reported in Hansard, 1911, on page 23, as saying:

> One of the strongest reasons I had for opposing the reciprocity agreement was that it threw into the melting pot for solution a question that involved a problem of patriotism.

Yet to-day they are engaged in negotiations with that country with the problem of patriotism still before them.

Mr. GOTT: What year was that?

Mr. RALSTON: The year 1911. It will be recalled that a gentleman who for many years occupied a front seat on the other side of the house and who unfortunately is gone from us now, said on more than one occasion,

and publicly too, that he believed it was a serious thing for the Dominion of Canada when reciprocity was defeated. In 1911 we had my right hon. friend the present leader of the government urging that a problem of patriotism was involved, and that therefore he was against reciprocity. Then 1933 came along, only a year ago. What was the attitude of my hon. friend the Minister of Finance then? Was he keen about an agreement with the United States? This is what he said in his budget speech a year ago:

> We can only be ready and willing to avail ourselves of any proposals that are fair and reasonable and not of such character which will involve injury to this country if they are speedily terminated.

At that time I urged my hon. friend to pursue negotiations. We pointed out to him, however, that we were afraid his hands were tied to a considerable extent by the Ottawa agreements, in view of the fact that on 159 items we had agreed to preserve the margin of preference to Great Britain and that therefore the duty had to remain as it was because of the fact that those items were on the free list to Great Britain. Last year my hon. friend was only ready and willing to avail himself of any proposals that were fair and reasonable; now there is the sound of going in the tops of the mulberry trees. Now, according to the budget speech, we are not simply ready and willing to avail ourselves of any proposals; we are the aggressors now; we are the ones who are anxious. The minister said:

> These negotiations will be actively prosecuted by the government of Canada, and every possible step is being, and will be taken with the object in mind of effecting a satisfactory trade agreement having for its aim the lowering of trade barriers with consequent increased flow of trade resulting in mutual advantage.

That is very different from the static attitude of last year. I wonder if that has any reference at all to the by-elections of last September, and if that hitches up with the reform program and the reductions in duty which are mentioned in other parts of the budget. That, Mr. Speaker, indicates a complete change of front, and the ubiquitous minister to the United States is burning up axle grease and rails at the present time travelling back and forth, endeavouring to see if it is possible to effect some sort of agreement. I do not want to be discouraging, but I do not take too much stock in the eleventh hour activities of this government in connection with trade agreements, any more than the working people of this country are taking too much stock in the unemployment insurance measure which was brought down during this session and which has proved to be such a hollow echo of the announcements made on the public platform. The people of this dominion have pretty well in mind the attitude of this government with regard to the exchange and tariff restrictions that have been imposed in the last three or four years. Business men will not soon forget the plight in which they found themselves and the desperate situation which resulted in employees being thrown on the streets because the business men could not because of the uncertainties of the tariff policy of this government make plans in order to carry on their enterprises. That point is made very effectively, not by anyone in politics but by a man who is known pretty well all over this dominion and respected by the business community. It appears in the annual address made by President McLeod of the Bank of Nova Scotia, which can be found in the Financial Post of January 26, 1935. He said:

> I will not attempt to describe here the mesh of tariffs, quota regulations, manipulations of currencies, exchange controls and exchange clearing arrangements by means of which all international trade, including our own, is being hampered to-day. No language at my command could exaggerate the destructive influence of these restrictions or the need for removing them as soon as possible. All countries including our own have played a part in weaving this mesh of repressive measures. All are more or less responsible for the present obstacles to trade. All must cooperate in the removal of them if the commerce of nations is again to start moving freely.
>
> It is still true to say that we are only moving in world commerce two-thirds of the goods that were so moved five years ago.

If Mr. McLeod were referring to Canada he would say only one-half.

> It logically follows from this that a large proportion of the workers employed in the world's export industries five years ago—workers who should now be making goods for exchange one with another—remain unemployed.

That is the situation in Canada. If my hon. friends on the other side had devoted themselves a little more assiduously to keeping the channels of trade open they would not have had the railway deficits and the special grants for unemployment relief that they have had.

Now, Mr. Speaker, I want to refer to a less sombre picture presented by my hon. friend in his budget speech; that is the reference which he makes to improved conditions in this country. That should have awakened the sleepers on his side of the house. The minister claimed that business was improving, and we

on this side say Amen, so mote it be. But obviously there ought to be some time when gains should be registered. We cannot go along all the time at the very bottom, and while it is a matter of satisfaction to know that our industrial production is increasing in physical volume it seems to me we should make some comparison with countries other than ourselves. It is no use for us to go down into the sub-cellar and then, because we get to the first floor of our own house, say we are making progress. Let us compare ourselves with our neighbours all around us. In regard to the physical volume of production the best my hon. friend can say is we have actually reached the position we occupied last May; in other words, we are not losing much. Last May, he says, we were in the position we occupy to-day so far as physical volume is concerned; we went down, and now we are up again. All right; let us praise anyone who is entitled to praise for that, but it certainly does not indicate a very substantial advance. I submit that comparisons with other countries are perhaps more informative to Canadians who want to know the truth. My hon. friend makes comparisons with other countries; at page 2126 of unrevised Hansard he compares industrial production in Canada with that in other countries, but he makes a most peculiar comparison. He does not compare the volume of industrial production in Canada with other countries; he does not compare the amount of increase in industrial production in Canada with that in other countries. What he does is this: He says "I take January 1, 1933; I take an index figure as to the volume of industrial production in each of the countries referred to, and then I take, not the actual increase, but a percentage of the increase, and I say that Canada heads the list." Let us be glad that Canada does head the list in that respect, Mr. Speaker; but whether we can really rejoice depends on what position Canada occupied on January 1, 1933. Was she on a par with these other countries? If she was, and if her physical volume of production increased by a greater percentage than the others, then she is outstripping them.

I obtained the figures on industrial production as of January 1, 1933, the very figures used by my hon. friend, and here they are. Mr. Speaker, I call your attention to the fact that this shows that Canada was next to the bottom among the sixteen countries for which figures are given. If Canada was practically at the bottom is it any great wonder that Canada improved more than the others, if she was going to keep her place in world trade at all? Yet the only comparison given by my hon. friend the Minister of Finance with regard to Canada's progress is a comparison with other countries taking Canada as at January 1, 1933, when she was next to the bottom in industrial production. Then he says she has improved more than the rest. In order to place it on record so that there may be no question I give the indexes of the industrial production in leading countries of the world as of January 1, 1933:

Japan	124.1
Chile	120.3
Norway	105.0
Denmark	102.9
United Kingdom	89.9
Sweden	83.7
France	78.7
Netherlands	76.6
Italy	70.9
Belgium	69.5
Germany	62.9
Czechoslovakia	61.7
Austria	60.6
United States	58.6
Canada	52.8
Poland	52.5

That, Mr. Speaker, gives us a rather illuminating idea of the value of the comparison my hon. friend made, and in connection with which he exhausted a whole paragraph in the budget speech, when he placed on record the percentage increase of Canada as compared with these other countries since January 1, 1933.

I do wish to give one or two comparisons which it seems to me are informative and which, I am sorry to say, do not give quite the same result so far as this country is concerned. I do not know what other people may think—and I must say I have heard a good deal about home markets—but I can never quite get over the idea that one of Canada's first and greatest concerns is her export trade. I have before me a comparison between the export trade of Canada and that of other countries of the world. I have not taken only one date. I have however taken the year 1932, and I have compared the increase in volume of exports which she has had as compared with the increase of other countries. What do I find? I find that between the years 1932 and 1934, out of eighteen countries Canada stands eighth. In other words seven countries have shown a greater recovery in exports between 1932 and 1934 than Canada has shown. That is not a bad position for Canada to hold. She is

eighth, while there are seven countries with a position better than that of Canada. I have taken the figures for the following countries: The Argentine, Australia, Belgium, British India, Canada, Denmark, France, Germany, Italy, Japan, The Netherlands, New Zealand, Norway, Sweden, Switzerland, the Union of South Africa, the United Kingdom, the United States. The exports in thousands of dollars are as follows:

Dominion Bureau of Statistics—External Trade Branch
Memorandum Showing
Domestic Exports of Principal Important Trading Countries of the World
(Calendar Years, 1932 and 1934)

Countries—	1932 (In thousands of	1934 Canadian dollars)	Percentage inc. (+) dec. (—) 1934 compared with 1932 %
Argentina	376,358	374,763	— 0.4
Australia	298,705	391,559	+31.1
Belgium	468,300	632,582	+35.1
British India	410,157	558,347	+36.1
Canada	493,809	652,887	+32.2
Denmark	231,688	261,027	+12.7
France	876,349	1,158,300	+32.2
Germany	1,547,854	1,624,896	+ 5.0
Italy	396,413	443,674	+11.9
Japan	440,611	630,547	+43.1
Netherlands	387,276	474,797	+22.6
New Zealand	122,433	187,903	+53.5
Norway	114,676	143,043	+24.7
Sweden	198,507	333,195	+67.8
Switzerland	176,463	270,559	+53.3
Union of South Africa	367,781	387,542	+ 5.4
United Kingdom	1,452,884	1,976,814	+36.1
United States	1,790,956	2,080,946	+16.2

In the last column of the statement which I shall hand the reporter the percentage of increase is shown, and Canada stands eighth in the list. These percentages are, in part:

	Per cent
1. Sweden	67.8
2. New Zealand	53.5
3. Switzerland	53.3
4. Japan	43.1
5. United Kingdom	36.1
6. British India	36.1
7. Belgium	35.1
8. Canada	32.2

I shall not content myself with simply taking the year 1932. The year 1928 is supposed to have been a year when world trade was fairly standard. One would of course expect some reduction in exports in 1934 as compared with the year 1928. I have had a table made up showing the reduction in exports of these same countries in 1934 as compared with the exports in 1928. Does Canada lead in having the lowest reduction in exports, as my hon. friend would suggest, in connection with industrial production? No, I am sorry to say she does not. In this table I find that Canada comes fifteenth, and that out of eighteen countries there were fourteen which had less reduction in exports from 1928 than had Canada.

That it seems to me is a disturbing factor, because Canada is a great exporting nation. When you find Canada fifteenth in export trade in 1934 as compared with the year 1928, you must come to the conclusion she is not attaining the position in regard to export trade which my hon. friend would have this house and country believe. This table, too, is prepared by the Dominion Bureau of Statistics, external branch, and if the house would permit I should like to place it on record without having read it.

Mr. SPEAKER: Shall consent be given?

Some hon. MEMBERS: Yes.

Mr. RALSTON: The table follows:

Dominion Bureau of Statistics—External Trade Branch
Memorandum Showing
Domestic Exports of Principal Important Trading Countries of the World
(Calendar years, 1928 and 1934)

Countries	1928	1934	Percentage Relation of Exports 1934 compared with 1928
	(In thousands of Canadian dollars)		%
Argentina	987,200	374,800	38·0
Australia	646,400	391,600	60·6
Belgium	840,400	632,600	75·3
British India	1,209,900	558,300	46·1
Canada	1,349,700	652,900	48·4
Denmark	412,400	261,000	63·3
France	2,012,800	1,158,300	57·5
Germany	2,721,000	1,624,900	59·7
Italy	762,000	443,700	58·2
Japan	888,400	630,500	71·0
Netherlands	799,600	474,800	59·3
New Zealand	263,600	187,900	71·3
Norway	178,800	143,000	80·0
Sweden	420,300	333,200	79·3
Switzerland	411,300	270,600	65·8
Union of South Africa	375,500	387,500	103·2
United Kingdom	3,520,700	1,976,800	56·1
United States	5,029,700	2,080,900	41·4

NOTE.—In the case of the Union of South Africa, the exports include gold bullion, whereas in the case of Canada, the gold bullion is excluded.

As you will observe from this table there are fourteen out of the eighteen countries mentioned which had in 1934 a higher percentage of exports than Canada as compared with exports in 1928.

Then I have had prepared also by the bureau of statistics, a comparison between 1930 and 1934. This time I have not taken in simply the export trade but I have taken the total trade. In this list I believe there are no figures for the Union of South Africa. Of the seventeen remaining countries I find Canada coming fifteenth, so far as a comparison of total trade with the year 1930 is concerned.

Dominion Bureau of Statistics—External Trade Branch
Memorandum Showing
Total Trade of the Principal Important Trading Countries of the World
(Calendar Years, 1930 and 1934)

Countries—	1932	1934	Percentage inc. (+) dec. (−) 1934 compared with 1930
	(In thousands of Canadian dollars)		%
Argentina	1,305,900	664,000	−49.2
Australia	882,700	722,200	−18.2
Belgium	1,597,300	1,279,500	−19.9
British India	1,613,500	1,029,100	−36.2
Canada	1,874,900	1,159,300	−38.2
Denmark	844,800	549,800	−34.9
France	3,740,300	2,657,400	−29.0
Germany	5,169,700	3,360,700	−35.0
Italy	1,542,600	1,093,600	−29.1
Japan	1,456,300	1,293,700	−11.2
Netherlands	1,666,500	1,167,200	−30.0
New Zealand	419,300	341,100	−18.7
Norway	464,100	325,200	−29.9
Sweden	858,600	667,900	−22.2
Switzerland	860,200	731,700	−14.9
United Kingdom	7,438,300	5,375,700	−27.7
United States	6,781,300	3,704,200	−45.4

Note.—Impossible to furnish information respecting the total trade of the Union of South Africa, as the import figures for the calendar year 1934 are not available.

This shows that in total trade for 1934 there were fourteen countries which stood higher than Canada as compared with 1930.

Those it seems to me are figures which should have the attention of every thoughtful Canadian. They indicate where Canada's trouble lies. Her trouble is not in industrial production, but it is in the falling off of exports and external trade and not getting it back as fast proportionately as other countries. I think these facts would be disturbing even to those members, if they are here to-day, who slept through a portion of my hon. friend's speech when presenting the budget. I think if the minister had given the figures I have indicated those hon. members would not have gone to sleep, particularly if they had also realized, that my hon. friend's budget showed that there was a debt increase of $117,000,000 for the year, and possibly a further debt increase of $100,000,000 to $150,000,000 for next year and that nearly 1,250,000 of our population are on relief, including about 250,000 heads of families.

My hon. friend may say—and I have no doubt some hon. members opposite are now muttering the suggestion, that I am running Canada down, and that, to use the expression used a short time ago by the Minister of Labour, we are fouling our own nest.

Mr. CHAPLIN: You would never do that!

Mr. RALSTON: No; but I want to say if that is the case I have fairly good company. I should like to read a paragraph from a speech given over the radio on January 3, 1935, by the Prime Minister, in which he stated:

> Canadians are not those from whom unpleasant facts should be concealed. The people of this country were born optimists, but they were born realists as well. They demand the truth, however disturbing it may be. And the truth is disturbing. The world is in tragic circumstances. The signs of recovery are few and doubtful. The signs of trouble are many, and they do not lessen.

I put these observations, Mr. Speaker, beside the optimistic references of the Minister of Finance, and I ask hon. members as Canadians to look the facts in the face and realize that it takes more than the Minister's table of industrial production showing comparisons with January 1, 1933, to show that all is well in the Dominion of Canada.

Another passage in the budget speech deals with the trade of Canada, and in this regard my hon. friend has been more generous than is his custom. This year he has devoted some space to it for the reason, I think, that this government is becoming alive to the fact that it is absolutely necessary to take some interest in the promotion of trade. The budget speech for this year does omit—and it is a rather important factor, it seems to me—the trade for the years 1926 to 1930. The table my hon. friend has placed on record—and I can understand why he did it—is somewhat difficult to follow. It is a table for the eleven months trade ending February 28, 1935. The reason for only eleven months being included is the fact that March had not been completed. I suggest to him that it would have been much easier for us to follow these figures if an estimate of March trade had been based on one-eleventh of the trade of the previous eleven months. This would be similar to his estimates of expenditures and revenue which are made based on the previous year. In order to complete this portion of the budget speech I have had prepared by the Dominion Bureau of Statistics a table which shows the total imports, the total exports and the total trade year by year for a five year period ending March 31, 1930, and for a five year period ending March 31, 1935. The figures for the year 1935 have been estimated as one month is not yet complete. This table is as follows:

Dominion Bureau of Statistics—External Trade Branch
Memorandum Showing
Canada's Total Imports and Domestic Exports

Years ended March 31	Total imports	Total domestic exports	Total trade	Balance of exports over imports + or —
1926	$ 927,328,732	$ 1,315,355,791	$ 2,242,684,523	$ 388,027,059
1927	1,030,892,505	1,252,157,506	2,283,050,011	221,265,001
1928	1,108,956,466	1,228,349,343	2,337,305,809	119,392,877
1929	1,265,679,091	1,363,709,672	2,629,388,763	98,030,581
1930	1,248,273,582	1,120,258,302	2,368,531,884	— 128,015,280
Total	5,581,130,376	6,279,830,614	11,860,960,990	net + 698,700,238
Five year average	1,116,226,073	1,255,966,123	2,372,192,198	
1931	906,612,695	799,742,667	1,706,355,362	— 106,870,028
1932	578,503,904	576,344,302	1,154,848,206	— 2,159,602
1933	406,383,744	473,799,955	880,183,699	67,416,211
1934	433,798,625	579,343,145	1,013,141,770	145,544,520
1935 (estimate)	532,579,733	667,816,424	1,200,396,157	135,236,591
Total	2,857,878,701	3,097,046,493	5,954,925,194	net + 239,167,792
Five year average	571,575,740	619,409,298	1,190,985,038	

Note.—The two right hand columns do not appear on the Bureau of Statistics statement—they are computations from the other figures.

Here is a summary of the table divided into two five year periods:

Five year period ending March 31, 1930	
Imports into Canada	$ 5,581,130,376
Total exports	6,279,830,614
Total trade	11,860,960,990
Average annual total trade	2,372,192,198

Five year period ending March 31, 1935	
Imports into Canada	$ 2,857,878,701
Total exports	3,097,046,493
Total trade	5,954,925,194
Average annual total trade	1,190,985,038

It will be noted that I have not just taken, say the year 1929 or 1930 to compare with 1935; I have taken a five year period which goes back to 1926, and these figures show that the trade under the present government for five years was just one-half the trade for a similar period under the previous government.

Mr. HANSON (York-Sunbury): What was the world trade average?

Mr. RALSTON: I cannot give that but I have given my hon. friend a few things to think about in connection with exports.

Mr. HANSON (York-Sunbury): World trade fell from $66,000,000,000 to $25,000,000,000.

Mr. RALSTON: My hon. friend will have an opportunity of making his speech and I think it will take all of his time to deal with the points I have raised in connection with the export trade of Canada. I have given him sixteen countries to think about and he will see what the relative exports are for 1928 and 1935, 1932 and 1935 and the relative total trade for 1930 and 1935.

My hon. friend has made a point in connection with United Kingdom trade. I find —perhaps the Minister of Trade and Commerce (Mr. Hanson) has these figures in his department—that our share of United Kingdom imports for the year ending September 30, 1932, just before the Ottawa agreements were made, was 5·20 while our share for the year ending September 30, 1934, was 6·33. In other words there was an improvement of one and one-half per cent. My hon. friends will say that this was due to the Ottawa agreements. It was not a very large increase and I think when a comparison is made between 1932 and 1934 it will be found that there are obvious causes other than the Ottawa agreements for the increase in imports into Great Britain from Canada. In the first place the buying power of Great Britain has been immeasurably improved by the rise of the pound; in the second place, the financial position of the British people was greatly improved in 1934 as compared with 1932. If my hon. friends are so proud of the Ottawa agreements, why has the motion of the hon. member for Toronto-Scarborough (Mr. Harris) been allowed to die? That motion offered an opportunity for my hon. friends to have a vote on these agreements. Although I understood that we were to get that opportunity, it has not come. All that we get in the budget speech are a few general statements with regard to the increased trade with Great Britain. The difficulty is that my hon. friends know perfectly well that if the Dunning budget of 1930 had been in effect every item of trade which has moved

between Great Britain and this country would have moved under the generous provisions of that budget; it would not have required any bargaining at Ottawa to insure the flow of trade between these two great countries. From 1920 on we had a two to one preference as far as our trade with Great Britain was concerned; we sold them $4,000,000,000 worth of goods and we bought only $2,000,000,000 worth from them. Our relations with Great Britain were extremely good. But then my hon. friends came along with their bargaining attitude. The Prime Minister when he was leader of the opposition used to stand in his place and declare that Great Britain would get nothing from us unless there was a quid for our quo; we would give nothing unless Great Britain gave us something in return. Where has that policy gone in the light of this budget? This seems to be another recantation. We find in this budget that forty-seven items in the British preference have been reduced without Great Britain being asked for anything in return. This budget indicates a complete repudiation of that policy which was advocated so strenuously by the present government from this side of the house. My friends have given these things and they do not indicate that Great Britain is to give anything for these concessions, comparatively small though they may be. This is another instance in which they have apparently seen the light.

Practically every year hon. friends opposite applaud the fact that the Minister of Finance is able to show a favourable balance of trade. This balance was $134,000,000 this year and $145,000,000 last year. I suppose I must repeat myself, but I contend as I have contended before that the benefits of a balance of trade depend altogether upon how that balance is brought about. If it is brought about by reason of larger exports it is a good thing, because then you have the substance wherewith to buy and trade. But if it is brought about by starving yourself for the things you need through a restriction of imports, then the balance of trade is nothing to boast of. This is the sort of balance which is represented by this budget. I notice the Minister of Trade and Commerce is taking notes and I assume he is to follow me in this debate. I should like to quote from a publication issued by his own bureau. In a statement covering the years 1926 to 1932 this publication states that "Balance of trade figures are frequently misinterpreted due to the persistence of the doctrine long ago exploded that a nation's trade is necessarily in a healthy state when exports exceed imports, necessitating the import of gold to make up the difference." I should also like to quote from another publication which I believe some of my hon. friends will regard as an authority. I quote from the Financial Post of February 9, 1935, as follows:

> Most of the debtor countries of the world have increased their so-called favourable balances of trade since the depression began. No doubt, in all of these countries, the politicians are pointing to this achievement as an evidence of the prosperity created by the particular policies invoked by those politicians. A favourable balance of trade, if it were the result of a large volume of inward and outward transactions, might be something to crow over. But a very small total trade showing a favourable balance is no evidence in itself of prosperity in a country.

And further down:

> But it is suggested that the current tendency to use a favourable balance of merchandise trade as an index of a country's prosperity is based on economic errors so gross as to be something of a political crime when politicians and after-dinner speakers utilize the device.

I submit that in view of the fact that the average total trade of this country for the last five year period has been only one-half of the average total trade for the previous five year period and because this favourable balance of trade has been produced by a restriction of imports rather than by an increase of exports, it is not necessarily evidence of a healthy state of trade in this country.

I pass over very briefly a matter to which I have referred at greater length on previous occasions. My hon. friend and his predecessor have repeatedly indulged in predictions as to what might be the result of the year's transactions. The hon. gentleman's predecessor, the Prime Minister, used to lecture those of us on this side of the house with regard to the responsibility of a Minister of Finance who ventured a forecast which proved to be in any substantial measure out when the results of the year's operations were known. He indicated that the Chancellor of the Exchequer was held to the strictest accounting in connection with any predictions he made. As I have had occasion to point out in this house before, my right hon. friend in 1931 predicted that the figures which he presented would indicate a balancing of the budget by a substantial margin. Well, he had a deficit of $81,000,000. In 1932 the present minister predicted that "reductions in expenditure and probable additions to revenue would represent a complete balancing of the budget on ordinary account"—these are his words—and he had a deficit of $53,000,000. I left him in the hands of his leader. Then in 1933 he predicted a surplus of $2,000,000 and he had a deficit on ordinary account alone of $24,100,000. This year he has

done a little better; gradually he has come up the scale. Last year he predicted a surplus of $8,800,000 to apply on extraordinary expenditures, and he reports a surplus of $2,700,000 on what he calls ordinary account. You can have surpluses if you leave out enough obligations, and to achieve his result my hon. friend has left out unemployment relief, railways, the construction program—in fact, he has left out about everything except what could be regarded as bare operating expenses. It is very different from the days when budgets were presented by the predecessor of the hon. gentleman and of the Prime Minister, when the accounts showed definite surpluses year after year, piling up to the amount of $257,000,000. All that my hon. friend says about his estimate is this. He says, "After we get through we have a deficit of $117,700,000." But he tells us to cheer up because the deficit for the previous year was $133,500,000, and that this year's figures indicate an over all improvement of $15,800,000. In other words, although we are not better we are less bad—$117,000,000 deficit this year but last year it was worse. I have had occasion before to deal with the question of the public debt, and on this occasion I feel—in fact, I know—that the situation is much more serious than it has ever been in the past. My hon. friend has a way of computing increases in the debt which may be all right so far as bookkeeping is concerned but which, according to some whom he regards as very high authorities, is absolutely incorrect as representing the accurate debt condition of the country.

My hon. friend shows in his budget speech this year an increase in the net debt, since the end of 1929-30, of $669,900,000, and he says that, included in that, is $83,000,000 for the year 1930-31. And this, he says, should not be charged to the government. I say to him, what I said to his leader in 1931: You are responsible for the year 1930-31 except for the first four months, inasmuch as you had full opportunity to cancel any expenditures you wanted to cancel. All that had been done was that parliament had voted the money.

Mr. MANION: We cancelled $75,000,000 of wild railway expenditures.

Mr. RALSTON: My hon. friend cancelled $75,000,000 on account of railways, which he and his friend the former Minister of Trade and Commerce, but particularly the latter, voted for unanimously in the committee.

Mr. MANION: The matter was never put to a vote, as it happens.

Mr. RALSTON: And Sir Henry Thornton had received the congratulations of the hon. gentleman's colleague.

Mr. MANION: Not from me.

Mr. RALSTON: No. My hon. friend is now trying to get out of it, like others over there, but there was a time when the Canadian National was taken to the bosom of the government opposite and regarded as their baby. Only since it began to have large deficits have they decided to shift the responsibility to others.

Mr. MANION: There were large deficits all through your regime.

Mr. RALSTON: The question is whether the deficit of $83,000,000 for the year 1930-31 should be charged to my hon. friend's administration. My hon. friend, as usual, has included it; he has not quibbled about it, because as I have pointed out, after the first four months my hon. friends had full charge, and the Minister of Railways confirms me now when he says that they cut out many items amounting to $75,000,000. We have therefore no quarrel on that score. They had control and they took control, and if there was a deficit at the end of the year they are responsible for it. The Liberal budget for 1930-31 had included $440,000,000. Now note. This budget, according to the Minister of Railways, was cut down by $75,000,000, and the next year the government, of which the Minister of Railways was a member, budgeted not for $440,000,000 less $75,000,000 but for $430,000,000, only $10,000,000 less than the Liberals had done the year before. So that it would rather indicate that they were fairly well satisfied with the 1930-31 budget that had been brought down by the Liberals.

The question I put to you, Mr. Speaker, is this: Is $669,900,000 the correct figure for the increase in the debt including the 1930-31 year as being under the Conservative administration? I say that, on the authority of the Prime Minister and on the authority of the hon. gentleman who occupies the position of Minister of Justice at the present time, that is not the correct figure. My hon. friend the Minister of Justice, in a speech in 1929, when he was occupying the position I now occupy, made this statement in reply to the budget:

> We have never had very serious controversy about the funded debt of the country, but I am glad to note that in his speech last Friday the minister for the first time took serious account of what we know as the funded or bonded debt or, as he put it in his remarks, the dead weight debt of the Dominion of Canada. That, after

all, is the important item in the financing of this country. The net debt is not a matter of the greatest consequence; in England they never refer to it all. There they use the one term "dead weight debt," and I am glad that the minister has used that term on this occasion, because that is the debt which counts. It is the amount for which the government of this country has issued in solemn form its bonds and obligations, signed, sealed and delivered, which bonds are now held by people who have invested in our securities. These bonds have to be paid at maturity, and in the meantime interest must be met. They therefore constitute the real burden which the people of this country are compelled to carry.

The net debt is comparatively unimportant; it is a matter very largely of bookkeeping and depends upon how you see fit to estimate the value of your assets. We have assets that are certainly good liquid assets, but we have a lot of assets in this country which we carry as non-active assets, and if you want to transfer some of these non-active assets to the active list you can immediately decrease your net debt. It is, I say, a matter largely of bookkeeping. But the debt which counts is the dead weight debt.

Note that, Mr. Speaker, it is the "dead weight" debt which he says counts. Then the Prime Minister speaking from about the same position in 1928 said this, as reported in Hansard of that year on page 1246:

> May I venture to point out, sir, that it should not be difficult to ascertain what the debt of the country is, and I say further that there is no need to talk about "net" debt or "gross" debt. The proper term to apply is funded debt, and the funded debt of Canada means "the mortgage on the farm." Now if the mortgage on the farm is $5.000, payable the 1st of January, 1929, and you have in your current account at the bank $1.000 which must be used to pay taxes, for seed grain and various other demands, at the end of the year the $1,000 may be partly or wholly exhausted, but the mortgage on the farm still remains $5,000 and must be treated as such.

There are two hon. gentlemen who do not talk about net debt, and yet that is what the present Minister of Finance talks about all the time. He says that there is an increase in the net debt of $669,000,000 from 1930 to 1935. I quote these authorities as indicating that that is not the correct practice according to his own colleagues. These are some of the things which are included in assets as shown on the balance sheet on page 1984 of Hansard and which would enter into the calculation of the net debt:

Loans to provinces..	$74,649,000

That is counted as a cash item. The question is whether those loans can be realized or not.

Loan to Roumania..	$23,969,000

That is counted as a cash asset.

Loans to harbour commissioners—	
Montreal..	$58,519,000
Vancouver..	22,921,000
New Westminster..	275,000

[Mr. Ralston.]

Those are loans. Those are all included, and deductions are made for them in estimating the net debt. I want to be quite fair; on the other hand there are superannuation funds and cash, but the point is that there is a definite balance on the assets side due to the building up of items such as those I mentioned a moment ago.

If we take then the funded debt, the "mortgage on the farm," what is the increase in debt under this government? During the five years of Liberal rule from 1925 to 1930 there was a total reduction of $257,000,000; I will not give the odd thousands. The funded debt on March 31, was as follows:

Year	Amount
1930..	$2,194,000,000
1931..	2,319,000,000
1932..	2,501,000,000

Or an increase in two years of about $307,000,000.

1933..	$2,649,000,000

Or an increase of $455,000,000 from 1930 to 1933.

1934..	$2,789,000,000

Or an increase in the funded debt from 1930 to 1934 of about $594,000,000. The funded debt on March 31, 1935, according to the account submitted by my hon. friend, is $3,007,408,000, or an increase over last year of about $218,000,000, or an increase from 1930 to 1935 of $812,061,000. The difference between $812,000,000, which is the increase in the funded debt, in the mortgage on the farm, and the $669,000,000 to which my hon. friend refers, is a mere matter of $143,000,000, and what is that between friends? The interest on the increased debt of $812,000,000 is, as the house will realize, something like $32,000,000 to $33,000,000, or $2.50 to $3 a head for every man, woman and child in the dominion. It means that the increase in the funded debt for this year, 1934-35, is the largest that has ever been under my right hon. friend's administration, or $218,000,000. Do you wonder that I say that the situation with regard to the debt is serious when we find an increase of $812,000,000 in five years in the funded "dead weight" debt of the dominion?

My hon. friends opposite have said something about conversion. The Minister of Finance in his budget speech spoke about conversion loans, saying that there has been a reduction in interest charges. That is so, but as is pointed out by the dominion statistician, Doctor Coats, in a letter to one of the members of parliament:

Refundings which have taken place in the past four years have reduced the interest charges upon previously existing national debt by something like $14,600,000 although this has been largely offset by increases in principal of our national obligations.

We are all glad that the rate of interest has been reduced, but a conversion loan does not mean anything so far as relieving us of interest charges is concerned, if the next minute we start in to borrow more money. The conversion loan of which my hon. friend rather boasts in his budget speech is nothing new; all it means is that the government, just like an individual, finds the goods it has to sell have a favourable market and it goes out and sells them at a higher price. There is no magic about that; there is nothing but good business judgment. I remember that conversion loans were effected under the former administration by which some $5,000,000 of interest was saved. This is therefore not an extraordinary transaction. We congratulate the government on having made the conversion; it was the proper thing to do in order to reduce the interest rate, but there is nothing specially outstanding about it in the way of business acumen or financial skill. So, while the rate has been reduced, while we have been able to sell government bonds at a higher price, we have had to make more loans and the result is that the reduction in our interest charges is largely nullified. But the point that troubles me and I believe troubles the people generally is that the reason the government is able to get cheap money is that there is a lack of confidence by investors in industry and commercial enterprises. A government bond is the best thing the people can get and therefore they put their money into it. The banks are holding over fifty per cent of their liquid assets in government bonds at the present time and this money is not going into industry. Cheap money for the government means that confidence has been lost or has not been restored in connection with industrial and commercial enterprises. That is the point which should trouble Canadians although rejoicing in the fact that the interest rate is being reduced so far as our national debt is concerned. I would rather see relief from the interest loan brought about in the way it was in the five years before 1930 when it was accomplished by paying off principal, not leaving any hangover whatever, when $257,000,000 of public debt was paid off entirely and the interest load reduced accordingly.

In that same connection I want to discuss a matter which it seems to me ought to occupy almost paramountly the attention of the public authorities of this country, and that is this whole matter of public finance. I have had a statement prepared and I find that the public funded obligations of Canada are as follows:

Dominion obligations—	
Total funded debt	$3,007,000,000
Guaranteed bonds	987,000,000
	$3,994,000,000
Nearly four billion dollars.	
Provincial obligations—	
Bonded or debenture debt	$1,224,000,000
Treasury bills	110,000,000
	1,334,000,000
Municipal obligations—	
Bonded or debenture debt	1,386,000,000
Total	$6,714,000,000

All public finance, public indebtedness in this country.

I have also had prepared a statement showing the relative interest load borne by the residents of the different provinces in respect of that debt. I am not going to take the time of the house to read the individual columns, but I would like to read the total per capita interest load borne by the citizens of the various provinces in respect of the combined dominion, provincial and municipal debt. You will understand that these figures are not complete in some cases. I think in connection with both New Brunswick and Prince Edward Island they are not altogether complete, but so far as we can get them they are as follows:

Total per capita paid for interest by the residents per year	
Prince Edward Island	$16.10
Nova Scotia	21.34
New Brunswick	21.90
Quebec	21.79
Ontario	27.28
Manitoba	26.69
Saskatchewan	21.93
Alberta	25.08
British Columbia	30.27

My hon. friend has mentioned, for the purpose of drawing the attention of the country to it, a possible scheme for refunding or dealing in a broad and comprehensive way with the whole matter of the public finance of the dominion, and has raised the question whether or not that can be done by what he speaks of as a loan council, or whether it could be done better through the more elastic organization, and the assistance I presume he means, of the central bank. I say to him that I agree that there should be something done by way of collaboration, by way of consultation, with regard to public financing in Canada. I am doubtful, and I think he is, whether the provinces would agree to federal control of

finance. I think he makes that fairly clear in his speech. But I feel that there is a possibility of having some sort of organization whereby there will be, not control, but whereby in the first instance there will be consultation and study and working together rather than a degree of rigidity or authority. The point is that the dominion authorities apparently have admitted that the finances of the provinces are of vital interest to the dominion. I am one who has not been so sure that that is correct. Sometimes I have felt that the Prime Minister—I speak of him particularly because he is taking special interest in these things—has gone perhaps further than was necessary in that regard. I feel satisfied as one citizen of the dominion that he went altogether too far in protecting the credit of the dominion when he gave guarantees for Newfoundland. Whether or not that applies to the guarantees for the provinces of Canada I am not prepared to say. But we have in these accounts this fact, that the dominion of Canada, for better or for worse, has admitted some interest in the credit of the provinces, in view of the fact that there have been guarantees given in respect of provincial obligations to the extent of $74,000,000. If that is the case I submit that the time has come for some concerted and definite and serious attempt to put the public finances of the dominion on a sounder basis. It may be that my hon. friend is correct, and that the Bank of Canada may afford a nucleus for that organization. I believe that the provinces will have to be willing and enthusiastic participants before the thing can be a success. Interest charges on municipal, provincial and federal obligations are all paid by the same people and out of the same pocket, there is no such thing as separating the citizen of the Dominion of Canada from the citizen of any province or of any municipality. They are all one and all pay these taxes. Obviously since there is a disparity between the interest load of the different provinces it may be possible that there is a difference in the borrowing power and in the advisability of borrowing on the part of the different provinces. In some provinces there may be a possibility of public works that are nearer self-liquidating and of more productive capacity than in others. But if the credit of the various component parts of the dominion is affected by the action of others then the financial operations of each are of concern to the others. And if the dominion is concerned with possible unsound finance of the provinces I think the provinces have a right to say as well that they are concerned with possible unsound finance of the dominion, and that they should meet in the first instance as willing and enthusiastic participants rather than simply to meet under federal authority.

I therefore submit that it would be good common sense, good business, good government, for all concerned to apply their minds to the formation of some organization, for which I have suggested for want of a better name, that of public finance council. In that connection I am not suggesting the setting up of any super board, I am speaking of an organization formed of representatives of those concerned. This council ought to have, first, the power and opportunity of considering the great problem of refunding and lightening the burden of interest on loans already effected; second, of considering the wisdom of further borrowings and the capacity of the citizens to carry the burden; third, the effect of further borrowings on the credit of the constituent members represented on this council; fourth, and this is most important, the orderly offering and marketing of public issues. We have seen too often the provinces, the municipalities and the dominion rushing to get to the money market first in order to catch the opportunity of getting rid of their issues, leaving the others to drag. Again it seems to me that such a council could well consider standards of administration and efficiency respecting not only capital but current expenditures. And I want to make this point; I have never been a believer in centralization, I believe rather in decentralization and in preserving the pride and esprit de corps of the provinces and the municipalities. But I believe in working together in sound consideration of common problems because the political divisions of this country cannot live to themselves alone any more than nations can. We have tried that experiment in recent years and found it a dismal failure. Therefore in connection with this particular passage in the budget speech I believe that the getting together of a representative body in Canada constituted to suit our particular conditions, would work not only without injury to the local esprit de corps but with distinct benefit to the pride, self-respect and self-confidence of the citizens of every part of the dominion.

Now I come to a more contentious subject, as indicated by the fact that my hon. friend the Minister of Railways rose a few moments ago. My hon. friend the Minister of Finance on this occasion, as he has previously and as have his predecessors, rather treats the Canadian National Railways as a drag on the wheels, as something which comes in at the last minute to take all the joy out of life, to

take all the cream off the milk. In computing his deficit this year he first shows his surplus of I think $2,700,000, then proceeds to take off something for unemployment relief, something for capital expenditure, and for everything else, and finally brings in $48,000,000 for the Canadian National Railways as the last straw. I submit that we cannot too often put before this house and the people of the country the position of the Canadian National Railways and of our railway problem. I am not going into it at length today, I have discussed it before in this house, but I want to remind the house that the situation is this: There have been large commitments and advances by Canada on account of the roads which now comprise the Canadian National Railways; the Canadian National railway system is a combination, a conglomeration of what were regarded as almost junk railways, that it is as if you had taken three or four carts and taken a wheel off one, a pair of shafts from another, a box off another and put them all together and made one cart and then proposed that that cart should do the work and pay the carrying charges of the four carts which originally composed it. It cannot be done. It is no use to set the Canadian National Railways up in a corner and say that that railway as a system is what is losing our money. It is not fair to the railway or to the finances of the country or to ourselves who have put the Canadian National Railways in that position. I say, as I said to the Minister of Railways, speaking of capital expenditure from 1921 to 1930, everyone in the house voted for it; everyone patted Sir Henry Thornton on the back; everyone—cities, municipalities, provinces, corporations, individuals and the dominion—was spending money, and the man who could spend the most money was the most popular man, the man who was doing the biggest things for his country. There is no use coming along now and talking about what has gone by; we all voted for it. Now the question is what we are going to do about it when the time comes to pay the bill.

My hon. friend the Minister of Justice (Mr. Guthrie) speaking from his place in this house in 1928, at a time when the Canadian National Railways had a deficit of $5,516,000 after paying interest to the public, said at page 1122 of Hansard:

> Nobody will pretend—not the Minister of Railways, for he knows too well, nor the Minister of Finance—that this government or any member of it is entitled to a particle of credit for the improved showing made in connection with the Canadian National Railways. The management of the road is supposed to be entirely divorced from government control. It is under the absolute control, so far as management goes, of Sir Henry Thornton and his board, without government interference, and they are entitled to the full credit for the result obtained —$125,000,000 of relief for the treasury of Canada in four years.... The real fact is that the finance minister and the Minister of Railways are endeavouring to appropriate to themselves the credit that is due to Sir Henry Thornton. They are endeavouring to bask in the reflected glory of the president of the Canadian National Railways without there being the slightest foundation for their claiming any credit for his achievement ... the point which I desire to make is this, that if credit be due to anyone in respect to the reduction of the net debt of the dominion, that credit is directly due to the management of the Canadian National Railways; for the improved showing which they have been able to make and for the relief which for the last four years they have been able to afford to the treasury of Canada. Without one move of the hand or one stroke of the pen by the finance minister or any of his colleagues, Sir Henry Thornton and his board have accomplished that feat, and to them credit is due, and to them the thanks of the country should be returned.

That was in 1928. Now I quote from Hansard for 1929, at page 742. In that year the result of the operations of the Canadian National Railways was a deficit of $3,185,000 after paying interest due the public. The present Minister of Justice (Mr. Guthrie) said:

> The result of operations for last year was very gratifying, and I would ask the Minister of Finance to note that the treasury of this country has been relieved very substantially for the last four or five years through the successful operation of Canada's national railway system. On January 1, 1924, an announcement was made by the president that for the first time in its history the national system had produced a net revenue over operating expenses, for the year 1923, amounting to $4,155,000; in 1924 that revenue had increased to $18,000,000; in 1925, it had increased again to $33,000,000; in 1926 the revenue was $48,000,000; in 1927 it dropped back to $42,000,000; and for 1928 we have the wonderful result of a surplus in net operating expenses amounting to $58,000,000. It will take $50,000,000 of that amount to pay the interest on the bonds which the public hold. I understand the management of the road will pay that interest this year, and will still have on hand a balance of $8,000,000 for other purposes.

That was the attitude in which the present Minister of Justice, representing the Conservative party, viewed the Canadian National Railways at that time. Before I am through I will give the house the benefit of another extract. They regarded it as the child of the management; they were congratulating the management on the way it was getting on. There was no talk then of spending too much.

These are the points, Mr. Speaker. First, these roads are a conglomeration of a number of bankrupt roads. Second, they are a combination of the policies of all parties,

not of one party alone. The Minister of Railways has come to that conclusion himself; he expressed that view in a speech he made in Ingersoll last fall. According to the report in the Toronto Globe of April 10, the minister said:

> Turning to the railway situation in Canada, the minister reviewed the construction of the transcontinental line, declaring that each party should go fifty-fifty in the matter of blame for this.

All three transcontinental roads were the policies of everybody. I made that statement in the house on one occasion and someone interrupted to say that it was not so. After that I had occasion to look up the records, and I think I convinced even the doubters that that was the case, and that the three transcontinental railways were advocated and supported by no less a gentleman than the Prime Minister. Sir Robert Borden approved the building of a second road, another transcontinental railway, in the amendment which he moved to the Grand Trunk Pacific Act, in 1904. The Grand Trunk Pacific and the National Transcontinental were built soon after. In 1912-13 a Conservative government granted a subsidy in order to permit the completion of the Canadian Northern through to the coast. That made the third transcontinental railway. This is what my right hon. friend the present Prime Minister said during the course of that debate, according to Hansard for June 3, 1913, at page 11777:

> Mr. Bennett: Do not we require a third transcontinental line as a spout for western grain? And hence is not the construction of the road from Fort William to the seaboard absolutely essential if the value of the other lines is to be maintained?

Then further down he said:

> I suppose the hon. gentleman will admit that the railways had to run parallel; they went through the same pass; it was a physical necessity.

That is the road in connection with which my right hon. friend indicated that he almost felt ashamed, as he went past Sir Wilfrid Laurier's monument, to think how far Sir Wilfrid had gone astray in connection with the railway policy of this country. All three railway lines were advocated and supported by all parties in this country.

In the next place, Mr. Speaker, the advances by the government have been wiped out by common consent. In a passage which I will read in a moment or two, quoting from the remarks of the present Minister of Justice, my hon. friend regarded the money which was paid by this country for the roads making up the Canadian National Railways as a bookkeeping item, and he thought no endeavour should be made to have it paid back. The sum of about $1,700,000,000 incurred when these roads were taken over before the Liberals came into power in 1922 is the big item in connection with our railway obligation. Fourth, the capital expenditures were approved by all parties in the house. Fifth, the revenue losses —and I want this to be noted—on the Canadian National are no greater than the revenue losses on the other great railway system in this country; they run along neck and neck. The railway is well operated. Sixth, the capital is represented by bonds which are an annual charge, and that is the difference between the financing of the Canadian National and the Canadian Pacific. The Canadian National has every dollar of its capital shown in the way of bonds, with fixed charges. The Canadian Pacific has, besides debentures, stock, on which it is not required to pay dividends unless there is a profit. Seventh, the management was approved by all parties.

The railway is the property of the people of Canada, taken over under the authority of their representatives. My hon. friend the Minister of Finance, as I say, treats it as a sort of drag on the wheel, and the Prime Minister made a most astounding statement a short time ago. Speaking in Toronto, as reported in the Ottawa Journal of January 29, 1935, the Prime Minister said:

> It far transcends the importance of any political party—it is your problem—not Bennett's and not the government's.

I thought my right hon. friend was running the government, and I thought this was one of the problems with which the government had to deal. According to the budget speech there is an item for that purpose, and I say to my right hon. friend that he cannot get rid of his obligations as head of the Government in that way. He cannot throw up his hands and say, "I have no responsibility for the Canadian National Railways," nor can this government say so. They should tackle the railway problem courageously, and not pass the buck as they do. I say the Canadian National Railways are part of Canada's national equipment. They were undertaken, put together and financed by the people of this country, and the government of Canada have no right to throw the problem out of the window, or to attempt to get rid of it by leaving it on the door step of the nation. I say also—and in this I may be treading on delicate ground, but I am going to say it—that the chairman of the Canadian National Railways has just as much right to stand up and tell the people of the Dominion of Canada about the Canadian

National Railways as the president of the Canadian Pacific Railway has to tell them about his road. I say that has not been recognized by this government. Some statements were made in Halifax, but apparently the chairman of the board of trustees of the Canadian National Railways was promptly told—

Mr. MANION: I do not like to interrupt, but I do it in good part. My hon. friend said he considered that the government should tackle the question courageously and deal with it. Would he elaborate that statement, or does he care to?

Mr. RALSTON: I was not born the week before last, and my hon. friend was not born the week before that. That is not a usual question for a front bencher to ask anyone on this side of the house. I just give my hon. friend this suggestion, and I give it in good part, without intending to be scarcastic; I would say to my hon. friend that if he and his colleagues would be sincere enough to make use of the legislation they brought down in this house two years ago, providing for arbitral tribunals to eliminate duplications where possible and which so far as I know never has been used, we would learn whether the thing called compulsory cooperation would work in this country.

Mr. MANION: My hon. friend knows that we cannot have an arbitral tribunal except at the request of one of the railways, and no railway has requested it.

Mr. RALSTON: I think my hon. friend will find that no railway has requested an arbitral tribunal because of the fact that the government has not seen fit to appoint a chief commissioner of the board of railway commissioners.

Mr. MANION: That is not the reason at all.

Mr. RALSTON: That is the reason.

Mr. MANION: None of them have asked for it.

Mr. RALSTON: I ask my hon. friend to provide the machinery for an arbitral tribunal and see whether they will or not. As a matter of fact the chief commissioner is supposed to preside over an arbitral tribunal, but at the present time there is no chief commissioner and the position has been left vacant a long time. If my hon. friend would inquire—and I am not so sure he has not now the information—I think he would find that some applications are pretty nearly ready, or probably have been ready for some time and something could be done, if there were some machinery whereby they could be presented.

My hon. friend has asked me what to do. I say to him that he should try the legislation he brought down two years ago. Then we will see if this thing works out, if it is possible for men to get around a table, and to find out whether or not there may be certain portions of the roads, in one place or another, where the services might be undertaken by one and abandoned by the other. That has not been tried, at all. There has not been one blessed thing done, so far as I can find out, with regard to lessening of expenditures as contemplated by that legislation. But my hon. friend comes here year after year complaining about the deficit of the Canadian National Railways. The Prime Minister goes to Toronto, throws up his hands and says, "It is your problem." I submit the Canadian National Railways have not been treated fairly. Why do they not try out the legislation which they themselves provided and which, I believe, they thought would work at the time.

Let me say a further word more about the railways, I have suggested one solution. My second solution is this—perhaps my second should have been the first; probably the order should have been changed. However the solution is, that if the trade of this country could be improved, and if my hon. friends opposite would adopt a policy which would move the wheat, if they would develop external trade and thus provide freight for our railways from coast to coast they would probably get somewhere near to solving the problem, just as the Minister of Justice throught our railway problem was being solved in 1928-29 when we nearly balanced the payment of interest to the public.

On this point regarding trade policy as affecting railways let me now quote the president of the Bank of Nova Scotia, who indicates just what he believes is the real trouble behind our railways in Canada. Here is what he states:

> I shall have something to say presently regarding the strangulation of the world's trade, which we have witnessed during the past few years, and its consequences, direct and indirect. It suffices here to remark that there have been no more unfortunate victims than the Canadian railways, of the passion for economic nationalism, which has been dominating and still in a measure, dominates the world.

That is the trouble with the railways in Canada to-day "unfortunate victims of the passion for economic nationalism". Take the machinery which has been provided, and if that machinery does not provide a solution

probably my second suggestion would. But in addition to what I have said may I remind my hon. friend, when he asks what I have to suggest, that the leader of my hon. friend while sitting in opposition used to say, "as Mr. Gladstone once said, When I am called in I will prescribe."

Mr. McPHEE: It won't be long now.

Mr. RALSTON: I said I would quote one other reference made by the Minister of Justice and I find it at page 743 of Hansard for 1929. This is what my hon. friend thought of the Canadian National Railways at that time—and I suppose he expressed the opinion of the Minister of Railways and Canals:

But what about the money it owes to the dominion treasury? The minister intimates that the sum of $32,000,000 odd is owed this year to the government for interest. It is put down in the books as a debt of the railway, but is purely a book-keeping transaction, and I presume it will be added to the $1,258,000,000 which the company owed to us at the beginning of the year, making the total indebtedness of the system to the dominion treasury about $1,300,000.000 and to the public about $1.000,000,000.

In this respect, however, to the National railways we on this side of the house are all optimists. We look upon that railway as practically our own infant and our own creature.

He continues at page 745:

Now, when this wonderful Canadian National railway system has more than justified itself, now, that it is rapidly becoming in the nature of a great national asset, now that we may look forward to a day, not perhaps in my lifetime, but in the lifetime of some here, when this system will start repaying the government of Canada part at least of the money it owes to the treasury, to the day when it will have a clean sheet, as it ultimately will have, in regard to its bonded indebtedness to the public; now that the system is in this, a thoroughly prosperous condition—

Under a Liberal government.

—this government desires to treat it as its own creature. Whereas in 1919 it tried to cast it out as base-born, now it wants to consider it as its legitimate offspring, and to profit by its success. Let me say, in concluding my remarks on this phase of the subject, that the national railway system in this country constitutes a lasting monument to the ability and statesmanship and determination of a single man, a member of a former Conservative government, and subsequently Prime Minister of that government. It is to his ability and foresight, to his statesmanship and determination that the people of Canada are indebted for this wonderful system of national railways.

I suggest to my hon. friend that he might go to the present leader of the Senate and find out from him what to do about these railways, as according to the present Minister of Justice the national railways are a monument to his statesmanship and determination. Go to him and find out what his advice would be about the railways for which according to the Minister of Justice we are indebted to the present leader of the Senate.

Now we come to the budgeting for the next year—and here is where I have to find serious fault with my hon. friend. As best he could he has given us a report of what took place last year, and to some extent at least he has given a forecast of expenditures and receipts for the next year. Here again I would remind him, to use that well known phrase, that the Chancellor of the Exchequer in delivering his address to the British parliament is always held to "strictest account" for the extent to which he has been able to realize his expectations. At page 2168 of Hansard for 1931 this question was asked by the Prime Minister:

Will any hon. member on the other side of the house say that last year there was any estimate given of expected revenues? Was there any estimate given of expected expenditures? Was there any word given of a $75,000,000 deficit? What did they do? What the then government did was merely to bring down estimates for moneys to be raised by taxation without any estimate of what was to be realized. I said frequently in this house in those days, and I now repeat, that not in any municipal council in this country would the people tolerate their mayor and councillors conducting business without giving an estimate of expected expenditures and revenues for the current year. It is the basis of responsible government, it is the basis upon which representative institutions have been established, and that responsibility can only attach when there is some estimate as to what is being received by the country from the taxation imposed...

My hon. friend has budgeted for a surplus of $21,500,000. But he says there will be some special expenditures the amounts of which he does not give. I should like to attempt to complete the budget; he has left some things out. There will be $6,000,000 on capital account, and how much for unemployment relief? Surely under this government there will be no necessity for unemployment relief. I shall not read that classic passage from the speech the Prime Minister delivered at Moncton during the 1930 campaign, but I will make mention of one made five years ago at Victoria. On June 17, 1930, he is reported to have 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 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.

Here is another speech which has not been quoted so often. At Quebec on July 14, he said:

> There was no necessity for a conference on unemployment. 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.

Of course that Moncton speech we all know so well is written in the copy books of the school children from Halifax to Vancouver. There were to be no doles but work. But now, after five years my hon. friend brings down a budget in which he proposes to spend a huge amount for unemployment relief. Compare the Prime Minister's remarks at Vancouver, Quebec and Moncton during the campaign in 1930 with what the Minister of Finance states in 1935:

> The total number of individuals on relief, including dependents, was 1,229,935 in February which is a decrease of 117,285 from February of last year, and of 265,031 from March, 1933.

Notwithstanding all the assistance given by government work, government projects, and relief construction, notwithstanding the enormous expenditures already made, these are the people on relief in Canada—or, at least, this number were on relief at the time this paragraph in the budget speech was prepared. As yet there has been no considered program with regard to unemployment and there has been no considered program with regard to relief. It has been helter skelter, hit or miss. One year it has been public works, another year it has been relief, another year it has been public works and relief; one year it has been a certain percentage of contribution by the provinces and municipalities, and then this has been changed; there has been no uniformity.

There never was a finer program given to the government than was included in the speech by Miss Charlotte Whitton to the Canadian Chamber of Commerce in Winnipeg. She pointed out the absolute necessity of a national relief council if there was to be any proper administration of relief in this country.

Mr. MACKENZIE KING: We suggested the same thing.

Mr. RALSTON: My right hon. leader points out that that policy was suggested by him at the first session in 1930, and he has repeated it year after year but to deaf ears. This matter must be treated from the dominion point of view. There should be some general, coordinated policy. It must be seen to that standards are the same and that services furnished are similar. Consideration should be given to the needs of the individual but there should be no exodus from one part of the country to another in order to secure a higher scale of relief or more extensive relief benefits thus enabling the locality which is paying less to get rid of its obligation. These are things which have not been considered by this government, yet in 1935, when we have 1,229,000 on relief, my hon. friend comes down with his budget and says: "I cannot tell you how much we are going to pay for relief; I can just tell you that we are going to have a surplus of $21,000,000 and we will have to pay relief out of that." We paid $49,000,000 for relief last year and my hon. friend says that there was a carryover from 1933 amounting to $9,000,000. Five million dollars was paid to Saskatchewan on account of drought relief and my hon. friend thinks that that may be paid back. However, I am striking that off with the $9,000,000. That makes $14,000,000 which leaves $35,000,000 which ought to be added to the estimated expenditures for the coming year.

What about the Public Works Construction Act? The total vote for this was approximately $40,000,000 but only $8,000,000 was spent last year. If this program is to be carried out it will be necessary to spend $32,000,000 this year, but that is not referred to in the budget forecast. The money will have to be got somewhere if it is to be spent this year and if my hon. friends do what we expect they will do, namely, start to erect a lot of public buildings and projects on the eve of the election. That is another $31,000,000. But is that all? There are rumors about an additional public works program. I do not know whether this is right; my hon. friend does not tell us anything about it in his budget speech. I thought that if this were so it would need an amount similar to that which was voted in last year's estimates. Perhaps it will not be this much, but I have put it in at an additional $40,000,000. The railway deficit is still to be provided for. My hon. friend takes an optimistic view about this. Last year the railway showed an surplus of $6,000,000 before the public interest was paid and he expects that next year the deficit will be reduced by $4,400,000. That leaves about another $44,000,000 to be provided for.

Lastly, there is the Canadian Cooperative Wheat Producers Limited. Two years ago I suggested in this connection that $20,000,000 should be provided but the Prime Minister later indicated that there might be a loss of $15,000,000. I have put in $20,000,000. So

we have $6,000,000 for capital expenditure, $35,000,000 for relief, $32,000,000 for a construction program, $40,000,000 for a further construction program, $44,000,000 for the railway deficit and $20,000,000 for a possible deficit in connection with the wheat transactions. This gives a total of $177,000,000, but I will make it $150,000,000, against which there is a surplus of only $21,000,000. There would seem to be the possibility of our debt being increased next year by $125,000,000. So far under Conservative administration our funded debt has been increased by $812,000,000 and with this addition for next year it will have been increased by nearly one billion dollars. I think my hon. friend is quite right when he says in his speech at page 1989 of Hansard:

> Meantime recovery will be hastened if we face our obligations courageously. To attempt to run away from them by failing at least to strive to pay our way, would not only retard recovery but this course would in the long run entail much greater sacrifice.

We should pay our way but we have not paid our way in any single year since this government came into office. I venture to predict that if this government stays in power we will continue not to pay our way. If we are to pay our way we must start doing things in a businesslike way, and I believe the people of Canada will see to this at the first opportunity. In the final result, the financial statement offered by my hon. friend is not a budget because he ignores entirely these items which are bound to come up for payment, with the possible exception of the added public works program.

I should like now to refer to the wheat guarantee. I do not intend to take up much time in this connection as I understand we are to be given an opportunity to discuss this matter in the near future. On page 2149 of Hansard is a table of loans and guarantees made by the government. There is a loan to British Columbia, to Manitoba, to the Manitoba savings office, to the Algoma Steel Corporation, to the Dominion Steel and Coal Corporation, to the Canadian Pacific Railway Company and to the government of Newfoundland. Amounts appear opposite all these items, but the next item concerns the Canadian Cooperative Wheat Producers Limited, and in this instance the amount is "unstated"—another blank cheque. I should like to refer for a moment to the transactions which gave rise to this guarantee. I shall do so very briefly, as in the very nature of things an opportunity should be given to discuss this matter before dissolution.

This guarantee was originally granted by order in council P.C. 2238 dated September 12, 1931. Hon. members will remember that in January, 1931, the Prime Minister issued a letter by which he guaranteed the advances made by seven banks to the Canadian Cooperative Wheat Producers Limited in connection with the handling of the 1930 crop and the order in Council was passed nine months after. Mr. McFarland took over the job; in fact he took over two jobs. One was to dispose of the 1930 crop, and the other was to see that the market would not be unduly depressed by this action. I do not believe there has ever been a definite statement made by anyone in authority in connection with this matter, but the reports are that Mr. McFarland commenced his job by purchasing 75,000,000 bushels of wheat. When the Minister of Finance brought down his budget in 1932 mention was made of this guarantee, and more definite information was given at that time than has been given in any subsequent budget. On page 1759 of the Hansard of 1932, the Minister of Finance stated:

> Based upon present market prices, the expectation is that, when all accounts are settled, the Canadian Cooperative Wheat Producers Limited, will be able to settle all advances without recourse being had to the dominions guarantee.

So in 1932 the minister was predicting that there would be no loss to the dominion on account of the guarantees. During the fall session of 1932 this matter came up again and the Prime Minister is reported on page 1176 of Hansard as saying:

> Except for the mention of the exact financial amount involved, which obviously it is difficult to give, I think I have answered all the questions asked.

Of course it was difficult to give the financial amount involved without giving the amount of wheat purchased. The dominion had guaranteed the loans made by the seven banks to the Canadian Cooperative Wheat Producers Limited covering the full amount of the commitments made by Mr. McFarland in purchasing wheat. This matter was again before the house in 1933, and the Minister of Finance is reported on page 3455 of Hansard of that year as saying:

> The question of ultimate liability will depend entirely upon the future course of wheat prices.

In March, 1934, the Prime Minister became a little more communicative; he indicated to the house that there might be a loss of $15,000,000. Now in 1935, just before the government goes to the country, the Minister of Finance gives us the laconic information that the amount of the guarantee is "unstated." And I now give the whole reference which appears in the present budget to this rather

important and somewhat large commitment of the Dominion of Canada to the banks of this country through Mr. McFarland. At page 1983 the minister says:

> The guarantee of bank advances arising out of the operations of the Canadian Cooperative Wheat Producers Limited in connection with the marketing of wheat, was continued.
>
> Apart from the wheat guarantee, which is for an unstated amount and is subject to fluctuation from day to day, the aggregate of guarantees under the relief acts is $65,717,000, a decrease of $27,500,000 in the fiscal year. The amounts of the different guarantees are as follows:

And then he quotes the guarantees under the relief act and gives the list which I read a few minutes ago, concluding with "Canadian Cooperative Wheat Producers Limited," and under the column headed "Estimated principal amount of guarantee outstanding March 31, 1935" appears the one word "unstated." I wish to make it clear—and I do not think there is need to emphasize it—that I am finding no fault with the government's action in connection with the first transaction of participating with the western wheat producer in an endeavour to dispose of the crop. That is not what we are objecting to. What I am objecting to is the method that has been adopted by Mr. McFarland as the dictator of Canadian Cooperative Wheat Producers Limited, and the method adopted by the Minister of Finance in this house with respect to the submission of this information, keeping the house entirely in ignorance of the liability involved and not even giving an estimate. I have no criticism of the objective which was aimed at originally, but what I have the strongest criticism to offer in respect of is the method and the motives which seem to have actuated Mr. McFarland in carrying out his mandate. This is a blanket guarantee, a guarantee which has been running for four years in favour of seven of the chartered banks of the dominion; and instead of the grain being disposed of which was supposed to be disposed of soon after the 1930 crop year, instead of seventy-five million bushels or so being disposed of, if the reports are correct, there is between two hundred and twenty-five and two hundred and forty million bushels of wheat on hand at the present time. That is the note which the dominion endorses. My objections are these. In 1933 when wheat went to a price substantially above what it had been, Mr. McFarland, instead of selling wheat held it—or if he did sell it he went into the market and bought again. That was a transaction which, I submit, had the effect of rank speculation on the part of the dominion, speculation with the money of the people of the country; and as my right hon. leader suggests, it was done under an order in council which depended for its validity on the peace, order and good government provisions of the British North America Act—a rather remarkable situation, a situation which is not usual in any country I know of, that a peace, order and good government statute should be used for the purpose of speculation, taking the credit of the people of this dominion and putting it behind one man in order that he might deal with that credit, not for the benefit of the western wheat producer—and I shall show that in a moment—but for the possible eventual glorification of Mr. McFarland and this government.

In the fall of 1933 wheat was pegged on the Winnipeg market, and pegged at the instance of Mr. McFarland, who was acting under the authority of this government. There is no doubt about it that he was the agent of this government; that has been abundantly shown in this house and in the committee on banking and commerce as well. My hon. friend the former Minister of Trade and Commerce, speaking in this house in 1933, made the following statement, as reported at page 3718 of Hansard:

> The government authorized Mr. John I. McFarland, the head of the pool sales agency, to purchase grain for future delivery when it was necessary to do so in order to hold the market steady.

The evidence of Mr. Logan, the general manager of the Canadian Bank of Commerce, before the banking and commerce committee in March, 1934, as reported at page 133, was:

> Since the 31st of July, 1931, the banks have loaned Canadian Cooperative Wheat Producers Limited such amounts as have been required to carry such quantities of wheat and/or contracts for future deliveries of wheat as in the estimation of the Canadian Cooperative Wheat Producers Limited and with the approval of the Prime Minister have been necessary to ensure the orderly marketing of the Canadian wheat crop.

That would indicate, I should think, that Mr. McFarland was acting at the instance of this government; the government was the guarantor and he was acting under its authority. Mr. Logan says that it was with the approval of the Prime Minister that the banks made the advances. As I said wheat was pegged on the Winnipeg exchange in 1933 at the instance of Mr. McFarland who was to all intents and purposes the agent of the government. Now let me read what one gentleman thought of pegging a little earlier than 1933. Here is what the Prime Minister said in this house in 1931, as reported at page 781 of Hansard, referring to the government:

It did not peg the price; no government of which I am the head ever will. I have seen artificial prices placed upon commodities and whether that commodity be wheat or anything else, it matters not, I know the inevitable result. It cannot advantageously be done; it will not succeed. It may cause a temporary advantage, but that disappears. Look at the situation in the United States to-day. Mr. Legge, with all his vast experience, with all the millions and hundreds of millions of dollars that he has behind him, declared that the principle of artificial price fixing was unsound, and it has been abandoned.

Nevertheless wheat was pegged on the Manitoba exchange in 1933 at the instance of Mr. McFarland, he being to all intents and purposes the agent of the dominion government—a government that was going to see to it that wheat would never be pegged.

And then Mr. McFarland told us in March, 1934, before the banking and commerce committee, as reported at page 129 of the proceedings, that the position with regard to wheat was such that if there were a ten per cent increase in the price of wheat the government would be even with the market, or, to use his exact words, it would "create a condition where there would be no calls under government guarantees." In the banking and commerce committee we were trying to get a statement from Mr. McFarland, the representative of the government, as to what obligation was involved in order that we might know something about the country's financial commitments, and that was the nearest we could get, that ten per cent would relieve the government entirely. And the Prime Minister a few days after, at page 2057 of Hansard, said:

> If the price of wheat were to rise ten per cent above what it was to-day, the guarantor would be under no liability.

In other words, if wheat rose by ten per cent we could get out and the people of Canada's endorsement would be relieved. What happened after that announcement was made? May wheat was then over 67 cents, and on May 31, only two months after the Prime Minister had spoken, it was over 81 cents, and that was away above the ten per cent spread. And yet Mr. McFarland stopped selling wheat. What has been the result? The result has been that Argentine wheat has been going into Great Britain and that the Canadian producer is losing his market there. During the fall of 1934 shipments have been the smallest of any fall since 1929, and that notwithstanding the fact that Russia is out of the market and that the United States is taking a good deal of durum wheat, and frosted wheat for feed. I infer that the idea was that either Mr. McFarland or the government for whom he was acting wanted to make a reputation as astute market operators and possibly to get some glory out of the distribution of the profits later. We find that in the fall of 1934 the prices of Canadian wheat in the British market were something like 22 cents above Argentina and something like 14 cents above Australia. What has been the result of the gambling attitude? In the first place the dominion as it wanted to do, shared with the western wheat producer in the responsibility for marketing the 1930 crop, and nobody finds any fault with that action; both parties joined in approval of it. There has never been a word of criticism upon that score because everybody recognizes the importance of the western farmer as a producer, as a consumer and also as a citizen. What is the criticism? It is first from the point of view of the western farmer that the government instead of marketing the grain has virtually become his competitor. What do I mean by that? I mean that the government through Mr. John I. McFarland, who is its agent, becomes in effect the potential holder of 200,000,000 or 225,000,000 or 250,000,000 bushels of wheat that should be off the market in order to enable the western producer to dispose of his 1935 crop. That quantity is still here; it is still in the hands of the Canadian government. The Canadian government cannot be depended upon to keep it forever. That wheat should have been cleared off the market just as the Argentine wheat was. In Argentina they kept the bins clear; they sold the wheat, and the result is that in Argentina there is very little carry-over and their operation has come out practically square, due in some measure at least to the fact that there has been an advantageous exchange. Nevertheless the Argentine government saw to it that there would not be a great big pile-up and carry-over of wheat. That is not what has taken place in this dominion, and the result is that the government instead of helping the Canadian farmer in effect stands in the market as his competitor.

Mr. BEAUBIEN: And losing the market all the time.

Mr. RALSTON: Yes, and losing the market all the time. That brings me to the next point. We have been teaching the best customer of the Canadian producer to get along without our wheat; that is what has happened. The British miller, finding out more and more as he has that Canadian wheat is being held away above what he regards as the market price, is purchasing in other directions. I have before me a brief statement which I

propose to read, showing the shipments that have been made under a spread of twenty cents over the Argentine price and fourteen cents over the Australian price, indicating that the British miller, regardless of questions of patriotism, because he is as hardheaded as anybody else, is going to buy the cheapest wheat and is learning to get along without ours. What are the figures?

Imports of Wheat into the United Kingdom

From September 1, 1932, to January 31, 1933

	Bushels
From Argentina	3,635,531
From Australia	10,358,656
From Canada	51,696,757

From September 1, 1933, to January 31, 1934

	Bushels
From Argentina	12,176,787
From Australia	17,661,950
From Canada	29,406,944

From September 1, 1934, to January 31, 1935

	Bushels
From Argentina	26,019,155
From Australia	15,972,551
From Canada	27,747,169

Mr. McFarland predicts, as I understand the matter, that there will probably be a carry-over of only 100,000,000 and possibly it may get down to 81,000,000 bushels for this year. I understand that from the time he made that statement, which was on February 16, something like 10,000,000 bushels of wheat a week would have to go out of this country to get the carry-over down to Mr. McFarland's prediction before the new crop year. This is a record of weekly export clearances.

Seasonal Analysis

Period	1933-34 Bushels	1934-35 Bushels
Aug. 1 to Nov. 30	67,972,365	53,436,359
Dec. 1 to Mar. 2	33,550,495	21,352,654
Jan. 4 to Mar. 16	28,279,227	19,919,276
Weekly Clearances		
February 2	3,081,462	2,216,490
February 9	2,388,271	2,209,360
February 16	2,013,367	1,207,504
February 23	2,620,873	2,768,741
Total	10,103,973	8,402,095
March 2	3,563,683	1,006,700
March 9	1,910,350	1,765,404
March 16	1,866,143	2,602,291
Total	7,340,176	5,374,395

The foregoing does not include clearances to the United States until cleared from a United States port.

Therefore, for at least ten weeks prior to March 16 the shipments have averaged 1,900,000 bushels a week instead of an average of something like 10,000,000 bushels which should have been shipped if the bins are to be cleared to the extent Mr. McFarland predicted. First, the Canadian farmer finds this wheat overhanging this market; second, he finds his customers buying somewhere else and third, he finds something else. If I may presume for a moment to speak on behalf of the western farmer, what is going on out in the west is this: Mr. McFarland is absolute autocrat of the situation out there with the directors of the Canadian Cooperative Wheat Producers Limited simply more or less figureheads. The cooperative spirit, the spirit in which the western farmer takes some interest in what are his own affairs, is being killed. The result is that Mr. McFarland is becoming the dictator of the wheat situation in the west with the western farmers' organization out of the picture. That is one of the most dangerous things which could happen in the Dominion of Canada, and particularly in Alberta and Saskatchewan. More dictatorship, as my hon. leader suggests! The ideas of the people who have had experience, who all their lives have been engaged in the grain business, who can contribute something and who have a real financial interest in the situation, are completely disregarded and a dictatorship is set up in the person of Mr. McFarland, who presumes to conduct the wheat business for the whole country!

Let me quote an article from the Financial Post of August 19, 1933, with regard to this very situation. This is what the Post has to say about what was developing at that time. This was at the time when wheat had risen in the Canadian market and when Mr. McFarland did not sell, when wheat was held, as I submit, for speculative purposes. This is what the Post says:

> But a new objective appeared to emerge when the price of wheat began to rise some months ago, that of making a large profit. Party newspapers began to talk of the government's huge profits in wheat. Government holdings, taken on under the excuse that there were no other purchasers in sight, were retained when other purchasers appeared and clamoured to be allowed to buy. As a result, wheat prices soared to levels that could not be maintained, to levels that shut off our export business, and to levels from which there has been an inevitable reaction.
>
> The profit that seemed to be almost in hand has entirely or in large measure disappeared, but not before discussion began as to whose profit it was. It was said to belong to the pools, presumably to the farmers who had wheat in the 1930 pool, the marketing of which was the nominal excuse for the continuance of the agency. Politicians began to calculate the possible effect on the next election of the distribution of some millions of dollars through the pool organization.

I have enumerated some of the effects on the western farmer. What about the effect on the country? It is simply this: the Min-

ister of Finance brings down his budget and our liabilities on account of the Canadian Cooperative Wheat Producers are "unstated." The dominion is endorsing a note for an unlimited amount; its agent, the government, refuses to disclose the amount of the liabilities and how much wheat is on hand. This government proposes to go into the election, having committed the country to seven banks in respect of a transaction which is said to amount to between 200,000,000 and 240,000,000 bushels of wheat, and no one is to know what liability is involved! Without a statement from the Minister of Finance as to the extent of the present holdings and the prospective liability in respect of this wheat guarantee, this so-called budget is a delusion. I submit that any parliament which allowed this budget to pass without proper information would not be worthy of the name. Finally I submit that the unhappy position in which we find ourselves is due to lack of appreciation of the duty of the government to the wheat growers of western Canada and to the whole country to dispose of that wheat with all possible expedition and not to condone and support a huge gambling operation in the hope of being able to point to gains as evidence of efficient administration.

With regard to ways and means, my hon. friend makes some proposals in regard to taxation to which I want to refer briefly. He retains his virtual twenty-five per cent tax on sugar, a household necessity, but he reduces his tax on liquor by over forty per cent. I had hoped, and others on this side and I believe a good many on the other side had hoped, that the Minister of Finance had intended to cancel the sugar tax this year. We supposed he put it on as an emergency tax. He put on the gold tax, he said, in order to permit the sugar tax to be reduced by half; last year in making his statement to the house he said that to replace the revenue lost by the reduction of the tax on sugar it was proposed to levy a tax of ten per cent on gold. The gold tax is gone, but half of the sugar tax still remains. I think my hon. friend will find it very hard to explain to the people of Canada how he can collect a greater amount of taxes from liquor with lower rates of excise taxes and customs duties. It is peculiar that it is only being discovered just on the eve of an election that they can reduce the tax on liquor and at the same time maintain the revenue. Sugar, a necessity of life, bears a twenty-five per cent load, while the general sales tax is six per cent. My hon. friend has picked out this commodity for taxation without regard to the fact that it bears on the masses of the people. Why? Simply because it is easy to collect. Seventeen millions were collected the first year, I think, and $8,000,000 or $9,000,000 last year—a very fine tax, but my hon. friend must remember, and the government must remember and the people of Canada will remember, who has to pay this enormous levy on a necessity of life.

With regard to the gold tax, my hon. friend remembers that last year we on this side of the house protested as vigorously as we could against the unfairness of the way in which this tax was to be levied, namely as a tax on production and not as a tax on profit. It was being levied on one of the basic products of this country, a commodity by the way which has probably done as much as any commodity to keep this country out of bankruptcy. My hon. friend and his leader after consideration accepted our suggestion, changed the gold tax and made it in effect a tax on profit by making it applicable only to mines which paid dividends. Now that gold tax comes off, and another tax takes its place, a tax half on the mine, and half on the shareholders. It remains to be seen what the effect of that will be. I am a bit sceptical with regard to how this tax will emerge from the committee of ways and means. I have hardly ever known a tax proposed by this government that has emerged from that committee in the same form as it went in. My hon. friend always has to alter his taxation proposals. I shall not be at all surprised if there is a change in connection with the gold tax—

Mr. GOTT: You will be surprised if there is a change of government.

Mr. RALSTON: My hon. friend himself will be surprised if there is not a change of government.

Mr. STITT (Selkirk): I think you would be shocked.

Mr. RALSTON: I remember in 1931 an income tax proposal was made the effect of which would have been that the tax on incomes in the higher brackets would be reduced, and that after a very vigorous attack by the former Secretary of State (Mr. Rinfret), that resolution was withdrawn by the Prime Minister, because, as he indicated, of some personal affront which he had taken at the remarks which had been made. It has taken three years for the government to realize that what the former Secretary of State said was correct, and that here was a possible source of revenue in higher taxation of the higher incomes. Now, at the last session of this parliament, after a speech made by the

Prime Minister in Montreal recently, a tax is put upon two forms of income, first upon earned income amounting to over $14,000, and secondly on a form of income which is called investment income. I must say that this surtax on incomes is to say the least rather delicate on the higher incomes. It does not bear too heavily on them, having regard to the motives which were supposed to be behind it. Looking at the table of proposals I find that the man who has an income of between $14,000 and $20,000 pays three per cent surtax on the excess over $14,000; that a man whose income is say, $280,000, to take an amount twenty times more, does not pay twenty times as high a rate of income tax but his rate is only three times higher; he pays ten per cent on the excess over $14,000. So I do not think this tax can be said to partake of the characteristics of the "share the wealth" program of the senator south of the line, or that anything drastic is going to happen on account of it.

The Prime Minister in his radio address in Montreal, the one delivered I think on January 9, warned the rich people of this country that they were going to have their patrimony taken from them and that they had better take it philosophically. After seeing this budget they will perhaps not feel so badly. Here is what he said:

> Selfish men, and this country is not without them....

This is after he had talked about taxes on income from investments.

> Selfish men, and this country is not without them, men whose mounting bank rolls loom larger than your happiness, corporations without souls and without virtue, these, fearful that this government might impinge on what they have grown to regard as their immemorial right of exploitation, will whisper against us. They will call us radicals.

Some hon. MEMBERS: Oh, oh.

> They will say that this is the first step on the road to socialism.

A ten per cent surtax on incomes of $280,000.

> We fear them not. We think that their ready compliance with our program would serve their interests better than any ill-timed opposition to it.

Then down below the report says:

> He had reached the end of his outline of what had been done, the reasons behind his recovery measures, and the need for further action. More detailed information would be given parliament.

And we have the detailed information today. These selfish men had better not whisper against us; we fear them not; we are going to put a ten per cent surtax on incomes of $280,000. Well, Mr. Speaker, I think I have a right to conclude that this socialism, this radicalism, this red policy is really only a pale pink after all. With regard to the corporations to which my hon. friend referred in those resounding phrases as corporations which were without souls and without virtue, he has increased the tax on corporations four times, and the only result has been that every time the rate was increased he obtained less revenue. In 1930-31 he increased the tax and he obtained $44,000,000. In 1932 the tax was increased again and he obtained $36,500,000. In 1933 the tax amounted to $36,340,000; in 1934 he received $27,400,000 and in 1935 he obtained only $25,000,000. Now that the rate is being increased from 13½ per cent to 15 per cent presumably the receipts will go down to $20,000,000, according to the law of diminishing returns. Still my hon. friend will have had the satisfaction of going after these corporations without souls and without virtue.

Speaking generally with regard to ways and means and the tariff I think I might be permitted to forego further reference until the resolutions are in committee.

Now may I just say a word with regard to the record of this government on taxation, since we are on that point. The house is familiar with the statement made by the Prime Minister in 1931, when he deplored the fact that he would never have an opportunity to write a budget containing the sort of taxes he would like to put on the backs of the people of this country. He said:

> I should like to have seen applied in Canada some new system of taxation, and he—

Referring to the hon. member for Labelle (Mr. Bourassa):

> —is quite right when he says it is not at all probable that I shall ever have a chance to try a new form of taxation, because it is not at all likely that I shall ever again submit ways and means to this house. I am not without hope, however, that some Minister of Finance reviewing the means by which taxes may be raised will realize the values and benefits accruing from a turnover tax.
>
> Sir, it has not been my privilege to introduce any new forms of taxation to this country at this time.
>
> I do not for a single moment disguise the fact that I would like to have done so. I should like to have written a budget which would have expressed my views with respect to taxation in Canada. That privilege has not been given, and it never will be.

Now I am going to just look over the taxes that have been imposed to indicate that while the Prime Minister may not have written the budget, at the same time he has had a hand in imposing almost every kind of tax the wit of man could devise. I have a list of some of the new taxes which have been imposed by this government.

They have put on a special excise tax first of one per cent and then raised to three per cent; a tax on berths and parlour cars; a tax on cable, telegraph and radio messages; a tax on telephone calls; a tax on rubber tubes and tires; a tax on malt products; a tax on unfermented wort; the tax on sugar; a tax on toilet preparations, a tax on toilet soap and a tax on cigarette papers and tubes. Then the tax on corporations has been increased. In 1930-31 it was increased from 8 to 10 per cent. In 1931-32 it was increased from ten to eleven per cent. In 1932-33 it was increased from 11 to 12½ per cent. In 1933-34 it remained the same, and now it is proposed to increase it to 13½ and in the case of consolidated returns to 15 per cent. Then there is the new tax of five per cent on non-resident remittances and five per cent on premium payments to residents in Canada. Then there was the increase of the sales tax from one per cent to four per cent and then to six per cent. I have made a summary, Mr. Speaker, and I find that under the brand new taxes of this government which have been imposed there actually has been collected from the people of Canada, up to February 28, 1935, a total of at least $80,000,000. That is on new taxes. Then there is the sales tax, which was increased from one per cent to four per cent, and again to six per cent. The increases of sales tax have cost the people of Canada in the neighbourhood of $180,000,000. From the increases in the income tax on corporations the government have collected $37,300,000. In other words, the total of new taxes, together with the increased sales tax and increased corporation income tax, is about $298,000,000, or in round figures $300,000,000. And that figure is probably a very modest estimate. But in addition there has been an increase in the individual income tax. The exemption stood at $3,000 when this government came into power. That exemption was twice reduced, first to $2,400 and then to $2,000, so as to hit the man with the small income, and the twenty per cent discount was removed. The exemption for children also was reduced from $500 to $400. In 1933 there was the change in the first bracket, increasing the tax from two per cent to three per cent, and the increase continued all the way up. There was an additional income tax on all incomes over $5,000. There is no possible way by which I could figure out the total increase put on the backs of the income tax payer by all these changes, but I think the estimate I have given regarding the new and increased taxes other than the personal income tax is well within the mark, namely that they have resulted in over $300,000,000 more being collected from the people of Canada during the life of this government than would have been collected if taxes had remained as they were when this government took over.

So I come to sum up the financial record of the government during the past five years because after all, as I said, this is their farewell budget. During the past five years Canada has dropped in world trade from fifth to eighth place. My hon. friends can give all the world statistics they like; that is the situation. Canada, one of the countries away up in total world trade, has dropped from fifth to eighth place; that gives the Minister of Trade and Commerce the comparison he asked for. Then, during the past five years her average total trade has been $1,200,000,000, or only one-half the average total trade during the previous five years. In the next place, under the previous five years of Liberal administration there were surpluses on ordinary account totalling $413,000,000, though taxes had been reduced by an estimated total of $180,000,000. Compare this with the five years of Conservative administration when there have been deficits on ordinary account totalling $157,000,000, though new and increased taxes have brought in over $300,000,000 without taking into account the heavy increases in personal income tax. In the five years of Liberal administration the debt was reduced $257,000,000, while under the present government the debt increase has already amounted to $812,000,000, and we are facing a deficit of probably $125,000,000 to $150,000,000 next year. Lastly, in spite of all the promises of 1930 there are over 1,200,000 people on relief in Canada at the present time.

My hon. friends say, "Oh, well, but you are not taking account of the depression." Canada was in the best position of any country in the world to ride through the depression. Canada was a country that sold the necessities of life. People had to eat; people had to live, and Canada was a country which provided the things they needed. Yet our trade has been crippled and strangled. This government has had all the power of parliament, it has had a majority which could put through any legislation it required; it has had the full resources of the treasury in the form of a blank cheque forced from parliament, and it has had and has made full use of the most autocratic and dictatorial power. They have had their own way absolutely in trying out their policies and at the end of five years this is the record as I have just given it.

Sensing their danger, as a result of the by-elections they put on a most remarkable

profession of repentance and announce a program of reform. The details are withheld, but are to be given to parliament. The details are now disclosed, and we find a series of measures which prove to be only a hollow echo of the flow of fulsome rhetoric with which they were announced, and the principles of which are altogether foreign to the policies previously espoused by this government. This budget, in its expression of sudden concern in regard to external trade, is just a part of that same weird change which has taken place in government thinking since the by-elections of last September. What this government cannot seem to realize is that the sincerity of all these new professions is being tested in the country by the recollection of the solemn pledges of 1930. And they are only fooling themselves if they believe that these last minute recantations are going to make Canadians forget. There is no escaping the issue; and we on this side of the house believe we express the views of the great mass of the citizens of this country when we say that what the people of the dominion are waiting and anxious for is a chance to register at the polls their opinion regarding the record of this government in the past five years and the grotesque attempt it has made to obscure that record by these eleventh hour professions. The results in nine by-elections and four provincial elections from the Atlantic to the Pacific leave no room for doubt regarding the temper of the electors. We call upon the government to finish the business of the session, to dissolve parliament, to let the people speak at the polls and to make way for an administration fresh from the electorate with a mandate to undertake the task of repair and reconstruction on principles of Liberal economics and Liberal ideas. Accordingly, Mr. Speaker, I beg to move, seconded by the hon. member for Vancouver Centre (Mr. Mackenzie):

That all the words after the word "that" be struck out and the following substituted therefor:

This house regrets that the proposals submitted by the Minister of Finance on March 22 are entirely inadequate to meet the serious and acute situation prevailing in Canada and afford an additional reason why appeal to the people should not be longer delayed.

Some hon. MEMBERS: Question.

Some hon. MEMBERS: Carried.

Mr. MYERS: Mr. Speaker, will you call it six o'clock?

Mr. MACKENZIE KING: Where is the government?

Mr. POULIOT: No, no.

Mr. SPEAKER: Six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Bill No. 27, respecting Canadian Marconi Company.—Mr. Sullivan.

Bill No. 43, for the relief of Clarence MacGregor Roberts.—Mr. Bell (St. Antoine).

RAILWAY ACT AMENDMENT

The house resumed from Friday, March 22, consideration of the motion of Mr. Reid for the second reading of Bill No. 38, to amend the Railway Act (rates on grain).

Mr. THOMAS REID (New Westminster): Mr. Speaker, when nine o'clock was called the other evening I was replying to some of the arguments advanced by the Minister of Railways (Mr. Manion), and this evening I propose to deal with them at further length. The minister has commended me upon my persistence in bringing this matter before the house, and it has been said that this question has been the subject of debate for many years. I would point out that the Railway Act amendments were passed in 1925 but the question was not presented in form of a bill until 1931. As I said at that time, and as I repeat now, I believe that the House of Commons is the place to settle this particular question, and before I finish I shall endeavour to prove this contention.

In my previous remarks I stated that the rates to the east were considerably less than those to British Columbia, and the other evening the minister replied by stating that the rates to the east were largely paper rates. I have before me some information which I should like to put on record in connection with the grain movement through eastern and Pacific ports. I have the figures from the year 1929 but I shall only give those for last year. Over 6,000,000 bushels of grain passed through the port of Saint John. The grain movement to Halifax totalled 2,301,937 bushels, while 49,788,385 bushels passed through the port of Montreal. I want these figures to be on record because I am contending that the greatest revenue derived by the railway companies is that derived from the handling of grain through Pacific coast ports.

Mr. MANION: I am sure the hon. gentleman has no desire to be unfair and he must

admit that practically all of that grain would be carried water and rail. I said that the rail rate from the head of the lakes to Montreal was largely a paper rate.

Mr. REID: I admit that I am not quite sure but I would be inclined to believe that the grain shipped from Halifax and Saint John had been shipped during the winter months.

Mr. MANION: That may be correct but it would have reached Montreal by water and rail.

Mr. REID: Perhaps we can agree to differ on that. I still contend that the rate set by the railway companies was more than a paper rate; it was intended that business would be done with those rates. This argument has been used quite often by the railway companies when they appeared before the board of railway commissioners but I still claim that it is an actual rate.

The railways derived their greatest benefit from the carriage of grain to British Columbia as over 100,000,000 bushels of grain passed through the Pacific ports last year. A large portion of this grain went to the old country via the Panama canal. Compare this to the total movement of only 83,000,000 bushels through Montreal, Saint John, Halifax and all other ports on the eastern Atlantic. If I had the time I could place on record figures which would show that there would be a greater return to the railway companies if more encouragement was given to the shipment of grain via the Pacific coast. Although there is a handicap of $9,000 per ship as a toll through the Panama canal, more grain left the Pacific ports for the old country than was shipped out of the eastern ports. I do not think these figures can be refuted.

The other evening the minister disputed the statement I had made that the export rates to Vancouver or New Westminster were not on a par with and were in fact higher than the export rates to Fort William. It was not my intention to deal with export rates at any length but I think I should attempt to prove my contention that the export rate to Vancouver is higher than the export rate to Fort William. In order that the house may more easily understand my figures I have reduced them to net ton miles. I shall first take the Canadian Pacific railway, over which the distance from Calgary to Vancouver is 642 miles. The export rate is 20 cents per hundred pounds, and if one reduces that to ton miles it means ·6 cents per ton mile, so that the railway is carrying grain for export through the ports of New Westminster and Vancouver at the rate of 60 cents per ton for every hundred miles. Coming to the Calgary-Fort William stretch, the distance is 1,243 miles. The rate is 26 cents per hundred pounds for export and 26 cents for domestic. The 26 cents works out at ·3 cents per ton mile and for 100 miles per ton the rate is 30 cents—just one-half. Yet the minister rose in his place to contend that we were on a level with the rates to Fort William. I want to put on record another comparison—Red Jacket to Fort William, which is under the Crowsnest pass rate. The distance is 646 miles, four miles greater than from Calgary to Vancouver, and the rate there is 18 cents per hundred pounds. How can the minister say that the rates for export through the Pacific coast ports are equal, or that we are enjoying Crowsnest pass rates? I dispute that statement. I do not want to be drawn into a controversy over export rates; that can come up later. I want to develop the argument that we in British Columbia are being soaked in connection with the grain requirements we use in that province. The minister made the statement that at the present time the railways are having financial difficulties and that this would not be the proper time for a change inasmuch as it would mean a loss in revenue. Let us see what they are doing as regards passengers, and compare that with the freight business. I suppose he would argue that this is not the proper time to reduce passenger fares.

Mr. MANION: No; I agree with my hon. friend in that regard.

Mr. REID: Yes, but he stops at passenger fares. He takes the view that it is all right to induce passengers to travel, but when it comes to encouraging freight, oh no.

Mr. MANION: The reason is that passengers are all being carried by motor busses and we want to have passengers on the railways.

Mr. REID: Well, if no change is made in freight rates a great part of the traffic in this country will ultimately be carried by trucks. Last year I pointed out how many trucks had hauled apples from Okanagan to Vancouver. I showed also the traffic that was being carried by the railways before the trucks began to be used extensively. The trucks have entered into competition with the railways and no effort is being made by the railways to encourage that traffic. Even before 1925 every appeal that was made to the board of railway commissioners or to the railways themselves met with the argument now advanced by the Minister of Railways, that it would

never pay them to lower the rates. They used that argument when times were good, and as a matter of fact it is their stock argument: This is not the time to do it. The fact is that no time has been the right time so far as the railways are concerned; no time has been the right time from the point of view also of the board of railway commissioners, and I suppose that no time will ever be the right time until parliament takes upon itself the task of compelling them to take the necessary action. Lower rates, I maintain would mean greater returns to the railways in consequence of increased traffic.

I am surprised at the attitude which labour has sometimes taken in this regard. Some of them seem to think that if freights were reduced it might result in the dismissal of some employees, and therefore some sections of labour have been rather opposed to the reduction of freight rates. I would point out to labour however that any time a reduction has taken place an increase in traffic has generally followed, with the result that more employees have been engaged. I do not believe therefore that there is any danger from that point of view, and past experience leads me to make that assertion. I have placed one or two figures on the record to show that the rates in the United States for coarse grains were lower than we in British Columbia have paid.

Mr. MANION: I know that my hon. friend does not wish to misrepresent the situation. I have checked up these figures since, however, and I have statements from the board indicating that the hon. gentleman is wrong. He quoted, in regard to low grade grains in the United States, a statement which he held in his hand the other night—I think it is the same statement I have here—which shows that the domestic rates went out of operation about six months ago. They are not in force at the present time. I wished to correct my hon. friend before the evening was over, and I should like him to deal with that aspect of the matter if he will.

Mr. REID: I will deal with that. Coarse grains are carried from Cut Bank, Montana, a distance of 732 miles, at the rate of 38½ cents per hundred pounds. How does that compare with 41½ cents for a distance of 642 miles to Vancouver and New Westminster? Is that a higher rate or a lower? I maintain it is a lower rate. The railways of the United States are carrying flour and coarse grains 732 miles for 38½ cents under the new rate as compared with 41½ cents for a distance of 642 miles, as paid by us in British Columbia.

Mr. MANION: But those were not the figures the hon. gentleman gave the other night.

Mr. REID: I gave 34½ cents.

Mr. MANION: Which was wrong.

Mr. REID: I still maintain that the rates there are lower. The minister may change the figures if he will, and I will take him up on any figure he likes to quote. From Billings, Montana, to Seattle, a distance of 1,012 miles, they are carrying coarse grains for 40½ cents per hundred pounds, carrying it at the rate of one cent per hundred pounds less, and for a distance of 1,012 miles as against 642 to Pacific ports.

Mr. MANION: But we are carrying feed grains for 30 cents, 10 cents less.

Mr. REID: We were glad to get that small reduction, but may I point out that that is a temporary rate.

Mr. MANION: I do not think so.

Mr. REID: Well, when it was introduced in parliament it was stated by the minister that the agreement would last one year and at the end of one year it was said the rate would continue a little longer. If that is not temporary, what is it?

Mr. MANION: It has been in force two years.

Mr. REID: But it may be discontinued at any time. At any rate it is only a sop handed out to keep us quiet. There is another aspect of this matter which I want to touch upon, something that is very important and that the minister has not discussed. While they are carrying coarse grains into the state of Washington, a greater distance and for less, they are also carrying produce from Washington state to the Atlantic; and are carrying eggs and butter at cheaper rates back to Chicago and New York than the rate charged us from British Columbia. So that both ways the railways in the United States are carrying coarse grains at a cheaper rate, and are besides carrying the produce of the American farmers into the eastern markets at a far lower rate than we in British Columbia are charged in connection with our produce.

I maintain that the attitude of the Canadian Pacific Railway has been one of obstruction so far as British Columbia's effort for redress is concerned. I would point out to the minister that the Canadian Pacific Railway, the dominant railway in this country, has taken an attitude of hostility to British Columbia. In carrying grain to the Pacific

coast the Canadian Pacific Railway have an advantage first of all of 132 miles over the mileage of the Canadian National railway, and in addition they receive $3.50 for every car of grain that goes by the Canadian National to the coast. The Canadian National is therefore penalized a total of $8.75 per car on all grain that goes into the city of Vancouver, and of that amount the Canadian Pacific take $3.50, so that they have the advantage over their competitor by that sum and they also benefit by the fact that the mileage from Calgary to Vancouver is 132 miles less, which is a very considerable advantage, because that distance, I believe, means the services of more than a day's train crew. I understand a crew runs about a hundred miles a day.

As regards the people in central Canada, the population from the great lakes east in Ontario and Quebec get their feed and flour requirements carried there at half the cost that we do in British Columbia, with the result that the eastern farmers, those who go in for stock raising and so on, are able to obtain their bran and shorts and mill feed requirements much cheaper than we can do in British Columbia, although they are further removed from the wheat fields than are the people of our province. They are able to get that advantage owing to the fact that when grain leaves for the east, there is no such thing as a domestic rate: the grain is designated simply as grain; but when it leaves for western points the railways designate it as either for export or domestic, although both kinds of grain are carried alongside each other by the same train crews over the same route and at the same time.

As regards the board of railway commissioners I do not know whether it was the fault of there not being a chairman that we lost the appeal last fall; but when one looks over the evidence one can realize—and I say this in a kindly spirit—that we could hope for little from the acting chairman, because ever since he has been a member of the board his decisions have been against appeals made by British Columbia. After consideration, in my opinion the board of railway commissioners have never protected the western provinces.

Might I point this out for the benefit of the house: British Columbia is paying much higher rates not only for her grain requirements but for all products shipped to the east, and I am surprised that the east has not given that province support in her fight for equality, because British Columbia has I believe dealt very kindly with the manufacturers in the east. In 1933 it is estimated that British Columbia bought from eastern Canada a total of $81,000,000 worth of goods, and all eastern Canada bought from that province in that year was $4,500,000 worth, so that the advantage is all in favour of the east.

The minister in his remarks—and I was very sorry to hear him make this statement—almost threatened the Liberals. He said: "The government is going to turn down this bill and I warn the Liberals that they had better be very careful before they get into power, if they do so, how they vote on this bill." He also took a little time to put on the record how many appeals had been made to the board of railway commissioners, and he said that out of forty-eight appeals only some three had been allowed. He was telling us in plain language: You people from British Columbia might just as well quit fighting for your rights; parliament is not going to do anything for you; you need not go to the board, nor need you appeal to the governor in council, because since 1904 the governor in council has only dealt with three appeals out of forty-nine. Is it any wonder that in that province you hear some people saying we should secede from the east? I am not advocating that we should do so; far be it from me, but it is little wonder that the minds of the people are turning toward secession when they realize the treatment they have been receiving for many long years. And might I point out if British Columbia had her own customs and excise, something she had before confederation, she would not be as badly off as she is to-day; she could probably then take care of the freight rates, or at least the burden would be a little easier on her people.

Mr. MANION: I do not like interrupting, but as the hon. member knows I have no privilege of reply because he is closing the debate, and I know he does not desire to give the record wrongly in any detail. I mentioned one in an interjection I made a few minutes ago. The other evening he stated that from Montreal to Ottawa the old Canadian Northern cost $187,000 a mile. My question is: Did he not include in that—and I believe he did—the cost of the Mount Royal tunnel of $13,000,000? I am informed that he did, and I should be glad to have him deal with the matter.

Mr. REID: As to that I am not at all sure, but the record from which I obtained the information and which I have under my hand gives no account of the Montreal tunnel.

This came up in evidence before the board of railway commissioners and Commissioner Oliver is the authority I quote.

Mr. MANION: I believe the hon. gentleman is correct about that. I am informed that it did include the Mount Royal tunnel.

Mr. REID: Even if it did, why should it not? Was it not a cost? That does not detract at all from my argument.

Mr. MANION: Except as speaking of one particular section with the very high cost of a tunnel added to it.

Mr. REID: I have not added the cost of the Quebec bridge, which cost $30,000,000; that would be a higher cost per mile.

Mr. MANION: The hon. gentleman objected to my adding in the mountains, so I was just wondering.

Mr. REID: Neither the minister nor any other person, I say in all kindliness, has ever been able to disprove the statement that it cost less to construct the railways into British Columbia; the construction, maintenance and operation costs in the east were higher. If I had time I would be able to show that the grades into Fort William are steeper than the steepest in British Columbia. I was rather surprised to realize this; I looked them up again only to-night. However I see my time is going on, but whenever the minister wants to stage a debate on this, why that is all right with me.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. MANION: May I be permitted with the consent of the house to suggest that the hon. gentleman be allowed to go on for about ten minutes more—

Mr. REID: Five minutes more.

Mr. MANION: —five minutes more, because I did interrupt him a number of times.

Some hon. MEMBERS: Carried.

Mr. REID: I will come down now to my final appeal, and I thank the house for allowing me the extra time. The minister might review very carefully both lines of railway. We are to-day looking for a solution of our railroad problem, and in looking over the roads I have come to the conclusion that so far as British Columbia is concerned the Canadian National could probably be used more and to better advantage for the hauling of freight at least than could the Canadian Pacific. The Canadian National is a more recently built railroad and it has the finest and best grades in Canada. When one considers that the same type and weight of engine can take fifty cars of grain by the Canadian National as against eighteen to twenty cars by the Canadian Pacific, I think my suggestion is very obvious. One must not lose sight of the fact that only sixteen per cent of the Canadian Pacific is main line—I refer to the prairies—and over eighty-four per cent are branch or secondary lines, which are more costly in operation.

I will close by making a final appeal to the house. Apparently the board of railway commissioners have told us that owing to past judgments we need not come before them any more, that the case is finally disposed of. I have an appeal before the governor in council, which is slightly different from what is sought by my bill. It asks that rates on feed grain and mill feeds be reduced to the level of export rates. This bill asks that the Crowsnest rates apply to all grain and grain products coming into British Columbia for domestic purposes. Surely I have a right to come to the court of last resort. I am not bringing into the house the general question of freight rates. Even in 1925 the government did not object very strongly to the bill on the Crowsnest pass rates; they said "carried on division." They were careful not to register a vote against the Crowsnest rates being put into effect. We are asking only for the same consideration on feed grains and mill feeds as this parliament by statute in 1897 and again in 1925 gave to the east and the maritime provinces. I am appealing for support from all members including the eastern members. I have no fault to find with the members from the maritimes; they have a case of their own, but might I point out to them that, leaving aside the fact that they get between six and seven million dollars returned to them by way of subsidy, their schedule rates are lower than in British Columbia. Surely they can join with us at this time and give us the justice that we have been seeking to obtain for the last twenty or thirty years.

Mr. BARBER: If I may ask the hon. gentleman a question, as one who has represented the provincial government in this case before the board of railway commissioners, do I understand him to say that the appeal has been carried to and is now before the governor in council?

Mr. REID: I said that the appeal before the governor in council was a little different from the present bill. The appeal I made to the board of railway commissioners and which is now before the governor in council asks that the rate on feed grains and mill feed

be reduced to the export basis. The present bill asks that the Crowsnest pass rates apply on all grain and grain products going to British Columbia for domestic purposes.

The house divided on the motion (Mr. Reid) which was negatived on the following division:

YEAS

Messrs:

Ahearn
Barber
Brasset
Brown
Campbell
Carmichael
Coote
Deslauriers
Donnelly
Duff
Dumaine
Dupuis
Ferland
Fontaine
Gardiner
Gershaw
Hall
Hanbury
Hanson (Skeena)
Howard
Howden
Irvine
Lacroix
Lucas
Luchkovich
Mackenzie (Vancouver Centre)
Macphail, Miss
McKenzie (Assiniboia)
McPhee
Mills
Munn
Neill
Pouliot
Reid
Rennie
Rhéaume
Roberge
St-Père
Speakman
Spencer
Taylor
Totzke
Veniot
Weir (Macdonald)
Woodsworth—45.

NAYS

Messrs:

Anderson (Halton)
Arsenault
Arthurs
Beaubier
Belec
Bourgeois
Bowen
Boyes
Bury
Casselman
Chaplin
Dickie
Duguay
Dupré
Duranleau
Esling
Fraser (Cariboo)
Gobeil
Hackett
Hanson (York-Sunbury)
Hay
Johnstone
Lawson
Loucks
Macdonald (Kings)
Macdougall
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
Mullins
Myers
Peck
Pickel
Plunkett
Price
Ross
Rowe
Ryerson
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spence
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Tétreault
Thompson (Lanark)
Tummon
Turnbull
Weese
White (London)
White (Mount Royal)
Willis—64.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Toronto-High Park)	Mulock
Baker	Bertrand
Baribeau	Beaubien
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John)	Dubois
Bennett	King
Beynon	Euler
Burns	Butcher
Cahan	Rinfret
Cantley	Cardin
Charters	Blair
Church	McKinnon
Cotnam	Hurtubise
Cowan	Ilsley
Davies	Garland (Bow River)
Dorion	Verville
Edwards	Elliott
Embury	Bothwell
Ernst	Bradette
Fortin	Fafard
Gagnon	Boulanger
Ganong	Michaud
Garland (Carleton)	Goulet
Geary	Mercier (Laurier-Outremont)
Gordon	Fiset
Gott	Rutherford
Guthrie	Lapointe
Harris	Jacobs
Jones	MacLean
Kennedy (Winnipeg)	McIntosh
Laflèche	Girourd
Larue	Thauvette
MacDonald (Cape Breton)	Urquhart
McGibbon	Power
McLure	MacInnis
Maloney	Young
Manion	Chevrier
Matthews	Moore (Ontario)
Moore (Châteauguay-Huntingdon)	Dubuc
Morand	Parent
Murphy	Stewart (Edmonton)
Perley, Sir George	Marcil
Pettit	Bouchard
Rhodes	Ralston
Robinson	Desrochers
Sauvé	Séguin
Senn	Sanderson
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Swanston	Fournier
Thompson (Simcoe East)	Jean
Weir (Melfort)	Motherwell
Wilson	Vallance
Wright	Golding
Barrette	Casgrain.

Mr. MANION: I was paired with the hon. member for Ottawa (Mr. Chevrier). Had I voted I would have voted against the motion.

Mr. HEAPS: I did not vote on the motion because the assistant clerk did not look this way. Had I voted I would have voted against the motion.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted for the motion.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted I would have voted for the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted for the motion.

Mr. GAGNON: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted I would have voted against the motion.

Mr. ANDERSON (Toronto-High Park): I was paired with the hon. member for North York (Mr. Mulock). Had I voted I would have voted against the motion.

Mr. MacINNIS: I was paired with the hon. member for Queens (Mr. McLure). Had I voted I would have voted for the motion.

Mr. MOORE (Châteauguay-Huntingdon): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted I would have voted against the motion.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted against the motion.

Mr. GOULET: I was paired with the hon. member for Carleton (Mr. Garland). Had I voted I would have voted for the motion.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted I would have voted for the motion.

Mr. DAVIES: I was paired with the hon. member for Bow River (Mr. Garland). Had I voted I would have voted against the motion.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted I would have voted for the motion.

Mr. GOLDING: I was paired with the hon. member for North Perth (Mr. Wright). Had I voted I would have voted for the motion.

Mr. SEGUIN: I was paired with the hon. Postmaster general (Mr. Sauvé). Had I voted I would have voted for the second reading of the bill.

Mr. BEAUBIEN: I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted I would have voted for the second reading of the bill.

Mr. VERVILLE: I was paired with the hon. member for Quebec-Montmorency (Mr. Dorion). Had I voted I would have voted for the second reading of the bill.

Mr. DUBOIS: I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted I would have voted for the second reading of the bill.

Mr. DESROCHERS: I was paired with the hon. member for Essex West (Mr. Robinson): Had I voted I would have voted for the second reading of the bill.

Mr. BRADETTE: I was paired with the hon. member for Queens-Lunenburg (Mr. Ernst). Had I voted I would have voted for the second reading of the bill.

Mr. LAFLECHE: I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted against the second reading of the bill.

Mr. SPEAKER: There being no further business under private and public bills, the house will revert to the motion that I do now leave the chair for the house to resolve itself into committee of ways and means.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment of Mr. Ralston.

Mr. J. H. MYERS (Queens): Mr. Speaker, in rising to say a few words on the budget I wish first to congratulate the Minister of Finance (Mr. Rhodes) on what I consider was the clearest and most complete statement of the business of the country that Canada has heard for many a day. I wish also to congratulate the Prime Minister of Canada and

the present government for having so conducted the affairs of Canada during the five difficult years through which we have just passed as to make the delivery of such a budget possible.

I listened with my usual interest to the hon. member for Shelburne-Yarmouth (Mr. Ralston) who always acts as the financial critic for our friends on the other side. I have always admired the cleverness of an orator and, may I say that on former occasions the hon. member for Shelburne-Yarmouth has excelled himself as a financial critic. To-day however I felt sorry for him, because at the beginning of his remarks he was attempting to criticize the budget of a government whose actions have met with the approval of the Canadian people. Throughout his observations the hon. member laboured very hard to make the best of a very bad cause, and had it not been for the fact that he is a skilful lawyer and has an exceptional gift of oratory, I do not believe he would have succeeded. Listening to him this afternoon I concluded he was a much better lawyer than politician and a much better politician than Canadian citizen, or he would never have attempted to criticize the budget presented by the Minister of Finance.

Canada has come through four or five very difficult years; these have been trying times not only in our history but in the history of the whole world. It is pleasing to note that notwithstanding the fact the government faced an almost impossible situation when it came into office, both as to finances and as to trade, we now have succeeded on ordinary account to the extent of having a substantial surplus to our credit. It is pleasing also to note that the Minister of Finance has budgeted for a surplus approximating about $21,000,000 for the coming year.

Unfortunately problems over which this government or the governments of any country have little or no control must enter into the picture. In Canada we are faced with a railway problem and must decide what we will do with it. It is not necessary nor is it my intention to follow the many figures quoted by the hon. member for Shelburne-Yarmouth, but in passing I should like to say that all hon. members are interested in the Canadian National Railways. We wish all our railways well, and it should be the aim and object of every true Canadian citizen to try in every way to promote the interests of those railways. Especially should this be true so far as the Canadian National is concerned, because the Canadian people have a direct interest in that system. I believe the railway management as at present constituted is doing its very best under difficult circumstances. I would go further and state that railway employees throughout the dominion are loyal to the railway system, whether they be connected with the Canadian Pacific Railway or the Canadian National Railways. They are endeavouring to the best of their ability to further the interests of the roads with which they are connected.

We need not look very far to encounter some of the difficulties. Hon. members opposite will say that the high tariff policy of the Conservative party has clogged channels of trade, that we have done this, that and the other thing, and that we have not acted in the interest of the railways. One need only walk down the streets of this city of Ottawa to observe one factor which has had an adverse effect on the development of our railways. The condition, which I shall describe in a moment, is common to every country and at present I can see no way of getting rid of it. As a matter of fact I do not believe the people of Canada would want to get rid of it. I refer to the motor trucks and the large transportation outfits we see in our cities and on our highways. Only to-day I saw on Bank street the largest transport I have ever seen. It had come to Ottawa from the city of Montreal, and is operating in competition with the railways in which we have an interest. I do not know what can be done about it. The figures given by the Minister of Finance would lead us to believe that trade is recovering quickly, and it would seem to me that in years to come the railways may make a better showing than they are now making. Yet I am not prepared to say, in view of what may be seen abroad in the land to-day, that our railways will ever be able to make revenues and expenditures balance. We must make up our minds to assist the railway by subsidies, by payment of their deficits or by whatever method may be found necessary.

One fact is certain, namely that we cannot do without railway facilities. The great distances to be overcome, the heavy commodities to be transported, such as wheat from western Canada, coal from the maritimes and Alberta, lumber and farm products from other sections of the country which can be moved only by railway, lead us to believe that railways are a necessity, and that being so we should do our very best to assist them in every possible way.

Much has been said about the unemployed and unemployment relief. I believe the government has dealt with those problems most generously. All hon. members regret that a

portion of our citizens is unemployed, and regret further the fact that many of our people have found it necessary to accept relief. Possibly more are depending on relief than should be depending upon it. However, be that as it may, we must face the problem of unemployment and deal with it as best we can. I repeat that this government has been most generous in the way it has dealt with relief, with the unemployment question and in its treatment of the different provinces and municipalities. I noticed in the press of this morning that about eighty mayors of different cities throughout Canada met yesterday in Montreal. There is no reason why mayors of cities should not meet, but we know that sometimes at their meetings they make strange statements and pass stranger resolutions. So far as unemployment relief is concerned they were of the opinion that all they had to do was to pass the responsibility over to the dominion government. They would let the dominion government put up the money and foot the bills of the cities, the municipalities and the provinces. While reading the newspaper article and again while the hon. member for Shelburne-Yarmouth was speaking so eloquently and stating his belief that after the next election the Liberal party would be returned to power, I thought it strange in view of the assurance which he seemed able to give the house that the mayors who met in Montreal yesterday had not postponed their meeting about six months until the right hon. the leader of the opposition (Mr. Mackenzie King), so famous for his generosity as expressed in 1929, came back into power. Then all they would have to do would be to come to him and he would hand out five cent pieces for the whole Dominion of Canada.

Mr. QUINN: He said, "Not a five cent piece."

Mr. MYERS: The Dominion of Canada, along with the rest of the world, has been facing difficult times, but we have another problem on our hands which has not faced the other countries. I refer to the drought stricken areas in the western provinces, a most unfortunate situation. I had the privilege of going through that country two years ago and I saw what it looked like. As a farmer I am able to realize what it means to a man to go out in the spring of the year with high hope in his heart to put in a crop which he may never reap. I commend this government for every effort put forth on behalf of these people in the western provinces who have been stricken so severely. Not a dollar spent on their behalf has been wasted, and it is a credit to this country that this problem has been dealt with in such a generous manner.

The hon. member for Shelburne-Yarmouth sought to convey to the house and to the country the impression that the present government has always tried to increase the tariff. To my mind nothing is further from the truth. Ever since this government came into office it has been seeking in every way possible to clear the channels of trade and to lower the tariffs against countries which show an inclination to do the same thing for us. Time will not permit me to go into this matter to any great extent, but figures have been placed on Hansard time and time again in connection with the tariffs of other countries, both at present and for the past five or six years. I could give the tariffs at present prevailing in Germany, in France, in Italy, in Czechoslovakia, in the Argentine, in Ireland and in many other European countries, but these have been given time and time again and no purpose would be served by repeating them. Whatever my opinion may be worth, it is that the tariffs of these countries are at least fifty per cent higher than they should be. There is one fact which I would draw to the attention of hon. gentlemen opposite: these tariffs were raised during the life of the previous government. There is not one single instance that I know of where an increase occurred in the tariff of a foreign country since this government came into office.

We were told by the Minister of Finance that since this government came into office and through the workings of the Ottawa agreements the tariff has been reduced on 250 items while 150 items have been put on the free list. This was done to facilitate the movement of trade and commerce between the different parts of the British empire. A reading of the reports issued by the bureau of statistics or of the newspapers of the country will show an increase in trade and commerce brought about by these agreements.

A statement was made the other evening which I cannot allow to pass without correction. The debate on the budget is more or less a free for all fight and an hon. member is entitled to bring anything he wishes to the attention of the house. I have not the pleasure of the immediate acquaintance of the hon. member for Laprairie-Napierville (Mr. Dupuis) and I cannot say whether he is in the house this evening, but on March 21 he made the statement that this government had increased the duty on potatoes since coming into office. This statement will be found on page 1951 of Hansard. If there

is any one thing that I claim to know a little about, it is potatoes, potato shipments and tariffs on potatoes. I took the trouble to find out just what had happened in connection with the duties against potatoes. My information is that prior to May 2, 1930, potatoes which were imported into Canada from the United States were subject to a duty of 35 cents per hundred pounds. Under a tariff change which went into effect on May 2, 1930—

Mr. QUINN: A Liberal government.

Mr. MYERS: —potatoes entering Canada were made free of duty with the proviso that should any country impose a duty against potatoes from Canada, an equal duty would be imposed against potatoes coming from that country.

Mr. QUINN: A countervailing duty.

Mr. MYERS: That was one of the countervailing duties in the Dunning budget. On May 2, 1930, the United States imposed a duty of 50 cents per hundred pounds against potatoes from Canada and a countervailing duty of the same amount immediately came into effect. Under a tariff change which occurred in the United States on June 18, 1930, the duty was increased to 75 cents per hundred pounds and a similar countervailing duty was immediately put into effect in Canada. After this government came into office and during the short session of 1930 the countervailing duty was repealed and replaced with a straight duty of 75 cents per hundred pounds. This duty was imposed subject to the maintenance by the United States of the same duty against our potatoes. At that time I happened to be in the very thick of this fight, as I was a director of the Prince Edward Island Potato Growers' Association. I should like to quote the president of the association as follows:

> The greatest national service the Prince Edward Island Potato Growers' Association rendered was in 1929, when the industry was threatened by a tariff duty on the part of the United States which would have completely lost to Canada the large markets already mentioned had it not been for the prompt and insistent efforts of the Prince Edward Island Potato Growers' Association, backed by the organizations it had built up in New York, New Jersey and the southern states. The association, through these organizations as spokesman, employed an outstanding firm of barristers in Washington, specializing in tariffs, prepared and submitted an intensive brief to the committee on ways and means of the United States House of Representatives, covering years of marketing, and vigorously set forth reasons protesting against any further increase in tariff.

[Mr. Myers.]

The association, without the help of any dealers either in this province or any other province of Canada, faced this crisis alone; and at a cost of approximately twenty thousand dollars, five thousand dollars of which was later paid by the provincial Department of Agriculture, were successful in preventing the duty on potatoes from being raised for the 1929 crop; when some time later the tariff was increased, the increase was kept down to 25 cents a hundred pounds.

It was the intention of the Americans at that time to put on a duty of $1 per hundred pounds against Canadian potatoes going into that country, and it was only through the efforts of the potato growers' association of Prince Edward Island that the duty was kept down to 75 cents. There was so much heat over the question in the United States, and the state of Maine fought it so vigorously, that the congressmen from that state refused on that occasion to take their seats in congress until the president assured them that a tariff of 75 cents would be placed against Canadian potatoes. Let me tell the hon. member for Laprairie-Napierville that when next he undertakes to discuss the tariff on potatoes he had better first acquaint himself with the facts which he intends to present to this house.

I understand that I have but twenty minutes left, and I will use the time to my own advantage and that of the province from which I come. Every man can best discuss the things he knows most about, and I desire in the short time that remains just to tell this house what we in the maritime provinces think of the late Liberal administration, the treatment we received from them, and also the treatment that has been accorded us as maritimers and, speaking for my own province, as Prince Edward Islanders, during the term of the present government.

Prior to 1926 the maritime provinces, and I believe rightly, considered that they had not been getting fair treatment from the federal government. I am not here to say whether or not the contention was jusitified, though I believe it was. At any rate, the Liberal administration, taking cognizance of these protestations from the maritime provinces, in 1926 appointed a commission to deal with these maritime claims. That body was known as the Duncan commission and was headed by a very clever man in the person of Sir Andrew Rae Duncan, from the old country. It carried on its investigations, and here I should like to read to the house a part of the conclusions at which the commissioners arrived:

The terms of readjustment—

That is, speaking of financial readjustments between the maritime provinces and the federal government.

—are obviously a matter for detailed determination and assessment, so that the actual amount—as well as the reasons and purposes attaching to it—can be recognized by the rest of Canada as fair and equitable. It is not posible, therefore, to make a final recommendation as to the increase and form of dominion aid which is required to satisfy the just claims of the maritime situation,—

The house will pardon me when I say that I took the privilege of underlining those two words, "just claims."

—but we recommend that the dominion government should give immediate consideration—

And I have also underlined these two words, "immediate consideration."

—to the whole of this subject, with a view to a complete revision of the financial arrangements as between them and the maritime provinces.

That was back in the year 1926, when the claims were spoken of by the Duncan commission as just claims, and were recommended for immediate consideration. Now what consideration did they get? The party opposite was in power four years after this report of the Duncan commission was brought down. The Duncan commission on that occasion realized that the situation was so desperate that they awarded the maritime provinces interim payments. Nova Scotia was awarded $875,000 annually; New Brunswick, $600,000; and Prince Edward Island, $125,000. And that is where it remained right down to the present day, even though this was their own commission, set up by themselves, even though the claims were acknowledged to be just and the recommendation was made that they should be given immediate consideration. All through the remainder of their term of office they made no move to see that the recommendations were implemented.

Mr. VENIOT: I know that the hon. gentleman wishes to state the facts, but does he mean to say that up to the present time the interim payments have never been made?

Mr. MYERS: The hon. gentleman misunderstood me. I said that the situation was so desperate that the Duncan commission recommended, and there were made, interim payments. But the final settlement was never made until this present session of the House of Commons. This government does everything in a businesslike way and it appointed the White commission, whose report I believe is in the hands of hon. members—I received mine a few days ago. I was pleased to note that that commission gave Nova Scotia an additional $425,000; New Brunswick $300,000; and Prince Edward Island, $150,000.

The question I would put to my Liberal friends from the maritime provinces—and I might include in this the hon. member for Gloucester (Mr. Veniot), though he will never be back in this house—

Mr. VENIOT: What!

Mr. MYERS: Does he think he will?

Mr. VENIOT: I am sure of it.

Mr. MYERS: I am very glad to have that assurance from the hon. gentleman, because I have come to be very fond of him during the last four or five years, but my information is that he is to be beheaded at the end of this session. The question I want to put to my Liberal friends from the maritimes is this: How will you justify yourselves in the eyes of the people for keeping Nova Scotia out of $425,000 for the past nine years? How will you justify yourselves in the eyes of the people of New Brunswick for keeping that province out of $300,000 for the last nine years? And I shall be happy to go back to the people of Prince Edward Island and tell them that when we wanted the terms of the Duncan commission's report fully implemented we had to come to a Conservative government led by the Right Hon. R. B. Bennett to have it done.

There was another question that was agitating the minds of the people of my province, another recommendation of the Duncan commission, and that is with respect to the car ferry between New Brunswick and Prince Edward Island. It was recognized by the Duncan commission that there is a pact of confederation between our province and the federal government that there shall be maintained continuous steam communication between that province and the mainland the year round. That is a contractual obligation; those were the terms under which we were induced to come into the union. Even though that obligation is there, under the Liberal administration they continued to charge up the cost of the operation of that car ferry to the Prince Edward Island Railway, so that when we wanted any improvements on our island railway we were always met with the fact that there was a huge deficit which was attributable to the operation of the car ferry that was a direct responsibility of the federal government. Here again let me say that that situation was not rectified, we were not able to have our claim in that regard corrected until last session, 1934, and the credit for

having that done goes to the present Minister of Railways (Mr. Manion). Further, under Liberal rule, when we crossed on that car ferry we were charged $4 for an automobile one way and $7 return. Last session we were able to present our claims in that regard to the Department of Railways at Ottawa, and again with the sympathetic help of my good friend the Minister of Railways we were able to have that charge for automobiles crossing on the car ferry reduced to $2 one way and $3 return. Therefore when any hon. members visit our province during the coming tourist season—and I hope they will all do so—it will cost them only the very small sum of $3 for a return ticket for their automobiles crossing between Prince Edward Island and New Brunswick.

I have a great many notes before me and would like to have been able to take the time to develop them fully, but there is no use in skimming over a subject. Therefore I will mention just one more item. I would like to put this question to the Canadian people: We all realize now the advantage to Canada of the empire trade agreements that were entered into in 1932; every man who is fair realizes it. But let me point out to the house that this measure together with every other that has been brought before us by the present administration has received the sternest opposition at the hands of hon. gentlemen opposite. The question that I want to put to the Canadian people, that I want to put to the electors in my constituency at the present time, is this: Those agreements were made for a term of four years and naturally that term is up in 1936. Whom do you as Canadian electors want to have to renew those agreements? Will it be hon. gentlemen opposite who have fought those agreements in season and out of season when they were going through this house for ratification? Is it hon. gentlemen opposite to whom you want to entrust the renewal of those agreements, or is it to the man who had brains and courage enough to go over to the old country, to tell the authorities there what he wanted and to come home with the bacon?

Just one more point and I shall be through. I speak now of the farm loan act. I am sorry to have to hurry over this because there are many other matters that I should like to speak about, but I shall wind up with just this one. In the budget speech of the Minister of Finance there is a statement that struck my attention very forcibly. In speaking of the Farmers' Creditors Arrangement Act, one of the many advantageous measures that the government has had passed on behalf of our farmers, the minister made this remark:

> Admirably supplementing this act is the new Canadian farm loan legislation which provides for releasing to agriculture ample government funds at the cost to the government plus the expense of administration. Changes in the organization of the farm loan board will make it possible to bring these funds to efficient farmers in all provinces with a minimum of red-tape and a maximum of expedition.

I am more than interested in that farm loan act. I am a farmer myself, and without being egotistical I doubt if there is any other man in this chamber or indeed in Canada who better understands the difficulties that have beset the farmers of the dominion for the past five years. The situation was well outlined to us to-day by the hon. member for Shelburne-Yarmouth, although it rather amused me to hear a lawyer talking about the problem of marketing wheat. The situation among the farmers to-day is this: The farmer who has held his own in the last five years has done wonders. But time never stops. In the last five years the farmers of Canada have not been able to lay aside any money. We have boys growing up. What are we going to do with them? We have made no money in the past five years to buy them new farms. Are we going to let them drift into the cities, to go into the relief camps, to swell the ranks of the unemployed, or are we going to try to buy them farms and keep them in the country where they should be? To my mind that is the use that should be made of this farm loan act. I know of many fathers to-day who would like to be in a position to buy farms for their sons; but they have not the money; they have not made a dollar clear in the last five years. A boy who was twenty years old five years ago is now twenty-five; if he is worth his salt as a young Canadian he is thinking of establishing himself, of making a home for himself, and he should receive the encouragement that I believe he will get under this farm loan act. I hope to see this legislation made use of in every province, so that money will be available at a low rate of interest for farmers who want to buy farms on which to settle their own sons and thus prevent them from drifting into the cities as too many have done during the past few years. There is no doubt that one of the great difficulties that we have in Canada to-day is that too many people have forsaken the farms and have drifted into the cities. I heard a great deal of discussion the other

night in the house about relief camps. Let me say at this point that these camps are not employment but unemployment camps, and one point that should be impressed upon every young man in them is this: You should try to get out somewhere; get a job for yourself; make yourself independent, self-reliant, so that you will not have to be leaning on the state or the taxpayers. There is a great deal more that I could say, but my time is about up and when a man is through, I think the correct thing to do is to stop.

The Acting SPEAKER (Mr. Smith, Cumberland): The hon. member has spoken for forty minutes.

Mr. MYERS: I will bow to your ruling, sir, and sit down, with this prophecy, that when the next election is over, the present Prime Minister (Mr. Bennett) will be back to lead this house and this government.

Mr. G. G. COOTE (Macleod): As I have only forty minutes, I shall not attempt to follow the speech made by the hon. member for Shelburne-Yarmouth (Mr. Ralston) this afternoon or the one made this evening by the hon. member for Queens (Mr. Myers), particularly as I have an amendment of my own to move. For the last five years the Minister of Finance (Mr. Rhodes) and his predecessor have struggled in vain to balance the budget; they have practised the most drastic economy that could be thought of and tried all sorts of new taxes, but in spite of their best efforts the total deficits of the five budgets they have introduced amount to over $600,000,000. I am not criticizing them for not balancing the budget, but I do feel like criticizing them for adding this amount to our interest bearing debt. The additional interest bearing debt amounts to $60 for every man, woman and child in Canada.

I have here the figures of the total public debt and I should like to put them on Hansard, but I do not think time will allow me to give the details, except to say that the total debt of the dominion, the provinces and the municipalities, both direct and guarantees, as of March 31, 1934, was shown to be $7,160,000,000 and the total interest charge thereon $330,765,000. Most of this debt was created prior to 1929, and due to the change which has taken place in price levels, the burden is now equal to what a debt of $10,000,000,000 would have been in 1926 to 1929.

I have also a statement showing the total revenue, total interest charges and percentage which interest bears to the total revenue, for the federal, provincial and municipal governments in Canada. These figures are so illuminating that I should like to place them on Hansard.

	Total revenue	Total interest charges	Percentage interest charges to total revenue
Dominion fiscal year 1933-34 (net figure—interest receipts deducted from revenue and from interest payments)	$313,323,040	$188,518,573	60.2
Provinces, fiscal years ended 1933, except B.C., where 1932 figures are used (gross)	183,188,327	62,546,592	34.1
Municipalities, 1932 (gross)	374,663,231	79,700,447	21.3
	$871,174,598	$330,765,612	38.0

We are spending the best of our energies in attempting to pay this interest. Speaking for myself I am growing very tired of it, and many others are also. The deficits, I said, amount to over $600,000,000, and of course the government revenue reflects in some degree the financial position of the people generally. Federal, provincial and municipal governments, struggling to balance their budgets, and the people, suffering poverty in the midst of plenty, are victims of the money policy of this government. That money policy is one under which our money is theoretically based on gold, in reality based on scarcity, because gold is the scarcest commodity known. It is a policy under which money is king and everything else is subservient to money. The chances of the people to work, to produce, and to consume, are dependent on the whims of international bankers. For five years we have slavishly followed the policy dictated by the bankers of New York. The president of that country compared them to the money changers who were driven out of the temple. I believe Canada should have its own money policy. We should be masters in our own house, and we could then control conditions in Canada. The previous speaker (Mr. Myers) said we were victims of circumstances largely beyond our control; I say we are victims of a policy which is largely within our own control. If

we would control our money policy we could make conditions in Canada so different from what they are to-day, that it would seem like another country. Had the government been less orthodox we might have followed a policy suited to our own needs as Australia did. I know that the Minister of Finance would be disappointed if I did not draw his attention to conditions in Australia. Australia abandoned the gold standard, stopped deflation, and the result of that and of the reduced interest rates was an increase of revenue to a point where they had budget surpluses instead of deficits. In 1931 their budget deficit was $53,788,000 as compared with Canada's $83,849,000. For the following years the figures are:

Year	Canada Deficit	Australia Surplus
1932..	$114,000,000	$ 6,570,000
1933..	220,000,000	17,730,000
1934..	133,000,000	6,507,000

Then let me also draw attention to the amount of interest on the national debt in the two countries:

Year	Canada	Australia
1931..	$122,229,000	$115,000,000
1932..	125,643,000	83,061,000
1933..	135,000,000	76,607,000
1934..	139,894,000	73,797,000

The figures for Canada do not include interest paid on account Can. Nat. Railways.

It will be noted that in 1931 the interest payable on the Australian national debt was $115,000,000, but by the next year, 1932, without any material change in the amount of the debt, the interest charge was reduced to $83,000,000, an actual saving of $32,000,000 or 27 per cent. Between 1931 and 1932 a deficit of $53,000,000 was changed to a surplus of $6,570,000. These changes were brought about as a result of legislation reducing the rate of interest on both public and private debt, and the adoption of a different financial policy under which the gold standard was abandoned and the currency of Australia allowed to depreciate in foreign countries.

The real burden of debt is determined by the amount of goods that have to be produced to pay the interest. In Canada due to low price levels, it has been increased by over thirty per cent. In connection with these public debts that I have mentioned I think it is fair to state that public debt is immortal, it never dies, it lives forever. But we poor mortals must continue to pay interest on it, and the rate of interest is the most important thing to consider. In the final analysis it is more important than the amount of the debt. Australia not only reduced the rate of interest by legislation but reduced the burden of debt on their people by raising the commodity price level. The price level for agricultural products in Australia for the last four years has averaged forty per cent higher than in Canada, yet the cost of living in Australia in June, 1934, was still one point below what it was for Canada.

The government of Canada to-day have many problems. I shall not attempt to list them all, but in addition to the debt problem we have a farm problem—which I consider the most important of all—an unemployment problem; and a railway problem. Under the present orthodox financial policy there is no solution of any of these problems. I make no apology for emphasizing the question of finance, as the budget deals primarily with the financial position of the country, and the solution of every one of these problems involves the question of money.

I want now to invite the attention of the house for a few minutes to this very important question of money. In this very complex system in which we live or are trying to live, speaking in the material sense, money is the most important factor. Man must have money for his three primary requirements, food, clothing and shelter. I will not enlarge on that, but merely tell the story I heard a few years ago about a man in this city going home one night and on one of the side streets he was held up by a thug who said: "Hand over your money or I'll blow out your brains." "Well, go ahead," the man said, "I can live in Ottawa without brains, but I can't live here without money." That, of course, applies to other cities besides Ottawa. The man who has all the money he wants can buy anything that it is physically possible to create. He can have anything for himself from a super airplane to a private submarine and everything in between. The man who has plenty of money to-day can live in a style that Solomon in all his glory never dreamed of. Mankind has always sought Utopia, and I think it is fair to say that the man with all the money he wants has found it; if he has not it is his own fault. Our scientists, engineers and workmen have solved the problem of production, in a comparative sense at least. We have over eight million horse-power mechanical energy developed and installed in factories and power houses. When that is harnessed to our modern, labour saving machinery, we have the equivalent of eighty million slaves to work for us, a nation of ten million people. As Stuart Chase

says, we have eighty million big, black slaves that do not need to be either fed or clothed and that are willing to work for us twenty-four hours a day.

As the result of the work of our scientists, inventors and engineers we have a wonderful social heritage of which we are not making very good use. Our productive system was so efficient in 1929 that we were told we got into this depression through over-production. One of our leading bankers made that statement a few years ago, and one of his friends said the way out was to work harder. Every member of this house knows that if you get into a jam by producing too much you cannot get out of it by working harder, but perhaps we might get out by thinking harder. The banker does not realize, or this banker did not, that we have passed from the age of scarcity into the age of potential plenty, that the cause of the depression through which we have been passing was under consumption rather than over production. The cure is to consume more. We now have mass production, but of what use is it unless we can get mass consumption? The people would consume more if they had the purchasing power, and when I say purchasing power I mean money. A money system that would give us purchasing power sufficient to buy back what we can produce might be called the key which will unlock the door to the age of plenty. The present money system is obsolete. I have a clipping from the press which states that even Mr. Frank Vanderlip, past president of the National City bank, says the gold standard is abandoned forever. Let us hope he is a true prophet.

The next thing I should like to point out is that money is not wealth. Money is a title to wealth. Money is a purely artificial thing; as Stuart Chase says, it is a creature of man and strictly subject to his control. To-day money might be very well described as a system of tickets to goods, and when I say money I mean all purchasing power whether it is in coin, paper notes or bank deposits, and the bulk of our money is of this latter kind, that is, bank deposits. I should like to give some figures as of October 31, 1929; I take these figures because at that time we were supposed to be enjoying prosperity. Bank notes outstanding at that time totalled $185,000,000; dominion notes amounted to $211,000,000 while bank deposits amounted to $2,368,000,000. It is quite evident to any person, then, that at that time approximately $2,000,000,000 of bank deposits was created by bank loans. I need not labour this point; I need only state that if within the boundaries of any nation you consider all the banks as one system, practically speaking, every bank loan and every bank purchase of securities creates a deposit. The repayment of a bank loan and the sale of a security by a bank destroys a deposit, and in the words of Right Hon. Reginald McKenna, "the amount of money varies only with the action of the banks." Some people think the amount of money does not vary; they say there is just as much money in the world now as there ever was, but generally they wind up by asking where it is. That is not true; the amount of money does vary. That is well illustrated by the case of the United States, where in 1929 bank deposits amounted to $55,000,000,000, while in 1933 those deposits had shrunk to $38,000,000,000. In other words, $17,000,000,000 worth of money had disappeared in that country. I asked the banker who gave me these figures where that money went, what became of it, and he said, "Why, it was destroyed."

The bulk of our money to-day is credit extended by the banks. That credit is created by the action of the bank when it takes our chattels, our goods or our bonds as security and writes for us a credit in its ledger. Money, then, is largely a system of bookkeeping, and I would suggest that the first step we should take in order to get out of this condition of poverty in the midst of plenty should be to institute our own system of financial bookkeeping. Establish a national bank, or credit house, call it what you will —we could use the Bank of Canada. Then make the right entries in the financial books. That is the first step to take to solve this problem of distribution, which is the greatest problem facing this and almost every other civilized country to-day. The problem of distributing among the people the goods which they are able to produce is without a doubt the greatest problem we have to face. On what basis should the entries be made in the financial books? I would say on this basis, that what is physically possible should be financially possible, and I challenge any hon. member to say why any proper financial system should not be of that kind, capable of making financially possible everything that is physically possible.

It was proved during the war that this could be done. We financed the war not by borrowing but by creating the money in Canada. Whenever we wanted anything for the army, if it was physically possible to create it we did so, and we created the money. We never failed to create anything

that was required by the army if it was physically possible to create it; we did not say, "We have no money; we cannot afford it." But that is what we have been saying to the unemployed and the poor farmers in this country. We could afford it if we had the right system. The present system does not reflect reality; we are told that things which are physically possible are not financially possible. Many things are physically possible, socially desirable and almost necessary; in fact they are necessary, yet we are told that we cannot have them because there is no money. We suffer to-day under the tyranny of money, and money is an awful tyrant. As Lord Melchett said, we have made money a rod for our backs. There is plenty all round us, but with the money system that exists at present we cannot have it.

Credit should be based upon the ability to produce goods as required, when required and where required. If this country and this government had the courage to do so a system could be set up under which credit would be issued on that basis. This credit should be issued without interest, and I want to say emphatically that credit and money can be issued without interest just as well as with interest. It should be issued in sufficient quantities to enable us to produce all the goods socially desirable and physically possible, for home consumption or for export in exchange for other goods.

I want to make it clear that what I propose would not interfere in any way with our ability to export goods; as a matter of fact it ought to enable us to export more goods, because I am sure it would enable us to produce them much more cheaply. At the same time we should see that there is sufficient purchasing power in the hands of the people to buy back all the goods we produce for home consumption plus the imports we receive in exchange for the goods we send out. What we suffer from chiefly at present is a chronic lack of purchasing power. Purchasing power, where it is required, must equal the selling price of the goods produced. To correct the situation which exists at present, this chronic lack of purchasing power, it will be necessary to issue credit for consumption. Under the orthodox system, in the main, credit is issued only for production, but what is the use of this production if we cannot consume it? So why not see that the amount of credit that is available for consumption will equal the value of our production, at fair prices, as I have said already?

[Mr. Coote.]

We have in Canada a wonderful cultural heritage to which I have already referred, and we have a perfect right because of that cultural social heritage to distribute a national dividend in Canada. An accurate bookkeeping system will enable us to determine the amount of that national dividend. We have a competent bureau of statistics which could tell us the amount of goods produced, and we want a bank or credit house that will make the entries in the financial books which will equal the entries in the production books.

In other words, see that sufficient purchasing power is issued where it is needed to buy back these goods. Some people say, "Oh well, you would have inflation under that." We can guard against inflation, but at the moment there is nothing more needed in Canada than some reflation. You would have to have considerable of what some people call inflation to get us reflated back to the point where we could carry this terrific debt without sinking ourselves up to our necks in the mire. Some of this money which I am suggesting should be paid out for consumption would go to replace part of the money which is now created as a result of bank loans at six and seven per cent. The amount of money needed would have to be determined by the management. They would use the index of employment and the average price level just as the engineer would watch the throttle on his engine. He advances the throttle when he wants the engine to go faster and closes it down when he wants the engine to go more slowly.

May I quote from the Southampton Chamber of Commerce, a very respectable body indeed:

> We must be able to spend money while the machine works.

And again:

> Production should determine the basis of money and credit instead of money determining production, as it does now.

When men are displaced by machines they and their families must be fed and clothed. Our job to-day is to bring the machines under control; at present they are our masters. As Stuart Chase has said, money and the machine are trampling around through the populace as though they had equestrian rights from God. Our task is to lead them back into the stables, where they belong. Money and the machine, are both labour saving inventions, and they should be the servants of man. They have become our masters.

In considering what methods the government should adopt to distribute this pur-

chasing power which I have suggested must be paid out I believe the standard we should use when we are deciding the proper measures to take should be that of the maximum of human happiness. That should be the standard by which all reforms which are passed or considered in this chamber should be judged. In the past we have used many false standards, one of which was called efficiency. Every day in the year we have sacrificed human happiness for efficiency. So far as I know we go through this life only once; I believe the good Lord intended us to be happy and placed in this world things which if properly used would be sufficient to make us happy. The first requisite to human happiness is economic security. How many people in Canada have economic security to-day? We have productive capacity sufficient to give every person economic security. After all, the term "economic security" simply means a guarantee of food, clothes, shelter and those comforts and services which we could easily supply to every person. With conditions as they are to-day, after five years of depression, when we have over 1,000,000 people on relief, about 600,000 unemployed, about 200,000 people over the age of twenty-one years who have never had any worth while jobs, and $1,600,000,000 of life insurance policies lapsed in the last four years, economic security has gone so far as most of our people are concerned.

Even before the depression the chances for economic security were none too good. Statistics gathered by a life insurance company in the United States covering the lives of one hundred men, starting at the age of twenty-five, show that at sixty-five they stood as follows:

42 dead.
1 wealthy.
2 well-to-do.
5 able to live off their savings.
28 still working.
22 destitute, living off the state or relatives.

Because of these conditions, with economic security gone for so many old people, I would suggest that we set up a superannuation system for all persons over a certain age, and that such payments be made by way of a national dividend. I would not be dogmatic about the age. In western Canada I would set it at fifty-five years, while in Ottawa I would have to raise it a little to, say, sixty years, so as not to shock any person. I would suggest that we set up a superannuation system for these people as we are now doing for judges, and civil servants, as banks do for their employees, as churches do for their ministers. Why should we not have a national superannuation plan for all our citizens? I have suggested the age of fifty-five or sixty years, and that we should guarantee work at decent wages for people under that age. I would not make a superannuation system compulsory, but would give it to those wishing to retire. I believe in a year's time we could retire 300,000 people and thus provide jobs for 300,000 young men and women who have been going without work. I had better make it clear that this plan would apply to the women as well as to the men. I am not going to be dogmatic as to the amount of superannuation, but I would suggest that phase of the matter would have to be worked out by our bureau of statistics. I am sure however that we would be quite safe in suggesting a beginning of at least $50 per month. I believe that that system would in the course of a year or so take care of at least 300,000 people and the extra purchasing power involved under the scheme I am suggesting would I am sure give employment to another 100,000. According to the census figures for 1931 there were gainfully employed in industry 79,000 people over the age of seventy years, 99,000 between the ages of sixty-five and sixty-nine and 354,000 between the ages of fifty-five and sixty-four. It would be safe to estimate that there would be more than 300,000 people over sixty years of age gainfully employed at that time.

May I point out to this house that in a report made to the president of the United States concerning the automobile industry it was stated that men of forty years were considered old in that industry. Even in Canada, if a man employed in industry or business is laid off after reaching his fiftieth birthday, does any hon. member believe that man could get another job? I do not believe he could.

Mr. PECK: Would you superannuate a man at forty?

Mr. COOTE: No, I have suggested fifty-five or sixty years. I would be content to begin at sixty years.

Mr. PECK: Would the hon. member answer this question—

Mr. COOTE: Would the hon. member mind asking his question when I have completed my speech? I have only forty minutes.

May I in this connection cite one incident which came to my notice. A coal miner in my constituency told me he had mined coal in Canada for thirty-two years, and in the old country for fifteen years, and was still at work. Although a frugal man he has not

acquired sufficient funds to retire. This man has two sons over the age of twenty-one who have never worked. He said to me, "Why could I not be retired and my boys be allowed to mine the coal"? There are many men on our farms to-day who have reached the age of seventy but who still go out to the fields, drive their teams and engage in their occupation, a great deal of which is dangerous and which at their age they should not have to do. I do not think we can over stress the point as to the desirability of having economic security for all our citizens.

There are several other ways in which we could make use of a national dividend, and one of these would be to make provision for the widows and the blind. Disability and health insurance and grants to education should be financed in this way. It is my view we should make use of part of this national dividend to relieve the small taxpayer. And, last but not least—as a matter of fact this is one of the most important—we must take steps either by use of a national dividend or by some other method to restore the purchasing power of the people on our farms. Forty-five per cent of our people are on farms. Whereas in 1928 the average income of these farmers stood at $1,600, in 1933 it had gone down to $640. To my mind nothing could be more important than a restoration of purchasing power to these people, if we wish to bring back anything like a condition of prosperity. There are 728,000 farms in Canada. I would say that on the average one more man could be used on each farm. Suppose, however, that one farmer out of every four hired a man, they would in that way engage the services of about 200,000 young men and take that number from the ranks of the unemployed. In the reforms I have suggested to-night, and the means I have suggested of taking care of the unemployed, I believe provision could be made for all the unemployed men. There is a lot of work to be done.

I should like to say one more word with regard to what we could do for the farmers. I would call the attention of the house to what has been done in Australia. That country did not hesitate to bonus its wheat producers. During the last four years the commonwealth government has voted $44,000,000 for wheat bonuses to farmers. Last year they voted $58,000,000 to be loaned to farmers without interest for a period of years. These loans were to be made to farmers who found it necessary to make compromises with their creditors.

[Mr. Coote.]

I should like to give a few statistics to show the amount of work which could be done on farms. There are 650,000 farm homes with no bath rooms with running water. There are 600,000 farm houses without radios, and 500,000 without telephones. There are 400,000 farms without motor cars, and less than five per cent of the farms have electric lights. Canada has the resources, the material, the engineers, and the workmen, so why not do the work? In addition to building houses, considerable work could be provided by creating safe railroad crossings and building additional national highways. I do not believe in work for work's sake, but in a young country like this there is much to do and we should be able to provide work for all those under a certain age. The time may come when there may not be work for all, but by that time I hope we shall be able to declare a national dividend for every citizen. It is to be hoped also that before that time arrives the people will have been educated for leisure. I should be satisfied to give the assurance of economic security to every man and woman who is willing to do his or her share. When that has been done they can develop the cultural side of their lives in a way that is not now possible.

The matter now before the house is the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston). Personally I have no objection to this amendment, but I have been given the task of moving another amendment which expresses the views of the group to which I belong. This amendment contains a constructive suggestion to the government, but it does not fit in very well with the last clause of the amendment, which reads:

—and afford an additional reason why appeal to the people should not be longer delayed.

There is nothing that we here in this corner can do at the moment to accelerate or delay the date of the election. I desire to move, seconded by Mr. MacInnis:

That the amendment be amended by striking out all the words after the word "Canada" and adding thereto the following:

"and would appear to be based upon the assumption that poverty and debt are inevitable conditions within the country;

and whereas the real and potential wealth of the nation, based upon our natural resources and our capacity to produce, is such as to make possible an abundant provision for all the requirements of our people;

Therefore, this house is of the opinion that the government should take immediate action to insure the fullest and most equitable distribution possible of our socially-created wealth and that, as a first step in this direction, the measures which may be necessary to meet the pressing needs of the farmers and the unem-

ployed should be financed by the social credit of Canada, thus avoiding a further increase in the debt burden of the country."

Mr. W. K. ESLING (West Kootenay): Mr. Speaker, may I be permitted to add my congratulations to those of other hon. members to the Minister of Finance (Mr. Rhodes) on the presentation of his budget? I should like to express the hope that he suffered no discomfort this afternoon because of the gas bombs which were hurled across the floor of the house. We can hardly expect hon. members opposite to be enthusiastic over a Conservative budget, and especially one which reflects so favourably the accomplishments and businesslike achievements of this administration. No more can we expect hon. members opposite to be enthusiastic over the social legislation which has been brought down by this government. They will recall that some of this was contained in their platform of 1919, but it was left to this government to put it on the statute books. So, Mr. Speaker, as usual you observe promises to your left and performances to your right.

As the hon. member for Queens (Mr. Myers) has said, Canada along with every other country in the world has experienced the most trying times in her history. On the one hand we had the earnest, determined and successful endeavours on the part of this administration to preserve the financial integrity of the country and restore conditions to normal. On the other hand, the people of this dominion have witnessed an equally earnest and determined endeavour on the part of hon. gentlemen opposite to discredit the helpful legislation which this government has brought down. They argued against it and in many instances obstructed the legislation, but they finally acknowledged that it would be helpful and showed that acknowledgment by voting for it. They have put themselves in a position where they can meet any requirement of political expediency. When they are speaking in one part of their constituency they will be able to assure their listeners that they were opposed to this legislation, and when they go to another part of their riding they will be able to tell the people there that they voted for it.

When this administration assumed office in 1930 the markets of every country in the world were closed to Canada by insurmountable tariff barriers. In the case of the United States there was duty and excise against our lumber of $4 per thousand feet. The duty against copper was four cents per pound; against our cattle, three cents per pound, and against our fish, two and a half cents per pound. Our poultry, dairy and farm products were faced with correspondingly high tariffs. They kept out our wheat with a duty of forty-two cents per bushel. In France it was 85 cents, in Italy $1.08, in Germany $1.65. So that every country in the world determined simply to live within itself. The hon. member this afternoon referred to trade. Well, this government has been busy in its endeavour to recover the trade which hon. gentlemen opposite lost. We shipped into the United States in 1921 farm products and manufactured goods to the amount of $190,000,000, and in 1930, the last year in which the party opposite was in power, these exports to the United States had been reduced by $100,000,000. We had at the same time about seventeen trade treaties in force, whereas to-day this administration has twenty-two in force and more in the making. In 1929 hon. gentlemen opposite, when in power, had an adverse balance of $90,000,000, and in 1930 they had an adverse balance of $103,000,000; in other words, they had bought that much more than they had sold. The hon. member (Mr. Ralston) this afternoon said that trade balances were not a matter of so much importance, but we all recognize that business methods must be applied to governments as well as in commercial circles, and if a man buys more than he sells there is only one end to that course.

At the time that the Liberals went out of office all the manufactured products from cheap labour countries and from countries with depreciated currencies were being dumped into this dominion. The United States was dumping all its surplus farm products here, and it was for that very reason that the Prime Minister (Mr. Bennett) called parliament in special session and put into force such tariffs as would bring that practice to an end. Then the Prime Minister, as a man of action, went to the economic conference; and, as the hon. member for Shelburne-Yarmouth told us this afternoon, he spoke to the delegates there in no uncertain terms and told them that the time had come when the people of the empire must adopt the principle of British preferences. He pointed out that there was no time for delay or compromise and that steps must be taken to put that principle into operation. And again, being a man of action, he invited the delegates to meet at Ottawa where these trade agreements were consummated.

As to the importance of the trade agreements, while hon. members opposite may be inclined to belittle them, the country at large

has come pretty well to realize that there has been no greater impetus to business than these same agreements. It is true that when the delegates arrived here the Prime Minister, on behalf of this dominion, endeavoured to make the best deal possible, and he did grant a preference on such articles as would not injuriously affect the Canadian producer. The Dunning budget, to which hon. gentlemen opposite like to refer so often, gave a preference on something like six hundred odd items, and there is now a preference on about nine hundred items. The Minister of Finance of 1929 said, however, "We are giving these preferences gladly; we are not bargaining at all." Well, no one can blame anybody for bargaining. The hon. member this afternoon referred to bargaining, and I would point out that bargaining is the basis of business. We on this side of the house think, as the country at large thinks, that the Prime Minister made a very good bargain so long as these preferred items do not interfere with the Canadian producer.

Hon. members opposite may recall that in 1926 they did some very effective bargaining with the Progressive group; they gave a preferential invitation to that group to come into the Liberal fold, and some of them came, in return for which there was the political salvation of the party opposite. Now, when it comes to the actual results in trade following the consummation of these agreements, one may take by way of illustration a few items the correctness of which cannot be challenged. Take the export of apples from Canada to the United Kingdom; it has doubled since the consummation of these agreements in 1932, and lumber exports have increased sixfold. No one can question that; the figures can all be verified by reference to the bureau of statistics. The export of hams and bacon from Canada to the United Kingdom has increased nine times. Then we come to poultry products, for which there was little export market up to the time of the agreements. To-day the export of poultry, dressed and undressed, from Canada to the United Kingdom has increased thirty-three times—not thirty-three per cent but thirty-three times the volume of 1932. Take canned meats: that has increased, not thirty-three times but seventy-eight times—seventy-eight times the volume of canned meats has gone to the United Kingdom in consequence of these agreements.

I do not know what the Liberal party will do if they have to forego, as they will have to do henceforth, the pleasure and privilege of branding the Conservative party and its Prime Minister as being dominated by financial interests. That has been a subject of propaganda, insinuation, innuendo, anything that the Liberals could offer to saturate the public with political prejudice against this party. They led the man in the street to infer that the financial institutions, the great corporations, the banking interests and so forth dominated the Conservative party. Well, I think the public has come to know the facts to such an extent that that propaganda will end and the people will draw their own conclusions in that regard. For nine years since the former revision of the Bank Act there was contained therein a provision for a seven per cent interest rate, but no penalty was attached thereto and it remained for this Conservative administration to insert a penalty of $500 on any bank and $100 on the manager of that bank for every instance in which interest in excess of seven per cent was charged for a loan.

Again, a great privilege which the banks enjoyed was the circulation of their own bills; they were permitted to issue those bank bills to the extent of their paid up capital by paying merely a tax of one per cent per annum and the cost of printing the bills, which was trivial. They are now deprived of that privilege. That privilege meant that among the chartered banks of Canada they had approximately $140,000,000 worth of bank bills to carry in their tills, to circulate freely and to lend to you, me and others at seven, eight or nine per cent as the case might be. That privilege will now be withdrawn; where formerly if a chartered bank wanted to issue $5,000,000 worth of its own bills, it cost that bank $50,000 to do so, from now on it will have to apply to the Bank of Canada and instead of its costing that bank $50,000 for the privilege of issuing $5,000,000 worth of bills, it will cost it $125,000, at the current interest of 2½ per cent. Is that any indication that the banks control this Conservative administration? The whole question is answered by the Bank of Canada Act and the latest revision of the Bank Act.

What did this government do about gold? There was some $40,000,000 worth of gold in the tills and vaults of the chartered banks, and the Prime Minister simply said to them: You did nothing to enhance the value of this gold or to deserve the profit; therefore we will take this gold over at the statutory price of $20.67, and the profit thereon will go into the consolidated revenue fund. As we all know, there is under the act a statutory sum permitted to remain with the chartered banks, to care for foreign commitments but on the

whole they certainly have realized that the dominating factor lay in this administration.

We often hear, from the man in the street who is actuated by Liberal propaganda, about the Conservative party being subservient and submissive to the corporations. Well, it will be found that under this budget the corporations of Canada are to-day paying a higher tax than has ever before in the history of Canada been levied on them. There is also to contradict this propaganda the fact that under this budget the income tax on wealth is higher and heavier than at any previous time in our history. That I think is an effective answer to the rumours which are so generously spread about the Conservative party being dominated by the financial interests, because precisely the reverse is the case.

I would like to remind the house that this depression perhaps more than anything else has made us realize our obligations to our fellow man. In this connection I would like to offer a word of commendation to the hon. member for North Renfrew (Mr. Cotnam) who in the early part of this session introduced a resolution advocating pensions or other assistance for the blind. Those of us who are not so afflicted have little realization of the discomforts, inconveniences and privations endured by those who have not their sight. But I would say that there was no more forceful demonstration needed than the attendance of members of the House of Commons at the meeting of the committee on industrial and international relations at which there appeared delegates from the various blind associations to submit their claims in favour of assistance. I do trust this government may see its way clear to lend to the blind such aid as may permit them to face the future with more hope. In this connection I would like also to include the case of those who are appealing to parliament on behalf of the burnt-out ex-service men who are unable to accept employment and who have reached the age of fifty and are at present not eligible for help until they are sixty. I think the opinion of all parties of the house would be unanimous in urging the government's sympathetic consideration in that regard.

As the hon. member for Queens (Mr. Myers), who spoke a short time ago, referred to his constituency, perhaps I may be permitted to ask the house to visualize conditions in West Kootenay, a district which is devoted largely to fruit growing and mining. We have there a very large number of cooperative organizations; the farmers are getting down to business methods and they hope in a short time to have such pre-cooling facilities as are essential to the proper marketing of fruits and vegetables. Last year there were shipped from the city of Nelson some 40,000 crates of cherries. Unfortunately in the absence of pre-cooling facilities, those cherries became affected with a little mould. We hope by this fall to be shipping from the federal district of West Kootenay the finest cherries produced in the Dominion of Canada.

As for mining, we are enjoying very great activity. Gold production has been the stimulus and the salvation of this dominion in the last two or three years, and British Columbia has been in the forefront of gold production. The old historic mining camp of Rossland, which in the early days produced some $80,000,000, is again coming to the front. In 1934 it was the largest gold producer in British Columbia, with the exception of the Pioneer mine; it shipped to the Trail smelter just $1,000,000 in gold. We also have at the city of Trail the largest metallurgical plant in the world, and in connection with that smelter we have perhaps the richest lead-zinc mine in the world, for the Sullivan mine at Kimberley produces nine per cent of the world's output of lead and zinc. We have also at Trail a very extensive fertilizer plant which produces fertilizer as a by-product from the waste materials at the smelter.

The government has brought down at this session social legislation designed to advance and add to the comfort and standard of living of the wage earner. I think if those engaged in industry would exercise a little more human consideration and copy the methods followed by Doctor S. G. Blaylock of Trail—

Mr. MACKENZIE (Vancouver): Hear, hear.

Mr. ESLING: —conditions throughout this dominion would be very much improved for the wage earner and the industrial classes. This institution of which I speak employs five thousand men, and to its credit be it said that throughout all this depression those men have so spread their hours of work that not a single man was laid off.

Some hon. MEMBERS: Hear, hear.

Mr. ESLING: The industry is in its splendid position by reason of the fact that a cooperative workmen's committee practically directs every matter as between employer and employee. It is a method which was put into operation by Doctor Blaylock, and it has done away entirely with any evidence of organized labour. From the many departments of this great plant, the lead department, the zinc department, the copper plant, the machine shops, the fertilizer plant, the foundry

and carpenter shops and the innumerable other departments, the men elect by secret ballot a delegate, who is their representative, and at stated intervals the delegates from every department meet in a room provided by the company. The manager is not present. Any man who has a complaint or grievance of any kind, no matter how trivial, or a suggestion for the betterment of conditions of employment or safety, or any suggestions about pay, hands it to the departmental delegate and that delegate presents it to all the delegates and they discuss it. If they think the grievance is unjustified they simply send it back to the complainant, but if they think it is well founded they adjust it if they can, and if not they call in the manager. Every applicant for employment in that plant is given the most careful hearing. After a man is employed he feels absolute security in his position, for the reason that no foreman can discharge him or act in any spirit of ill will towards him. A man has three chances; if one foreman discharges him he is transferred to another department, and he has three opportunities before he loses his position entirely. The company neglects nothing that would contribute to the comfort and convenience and health and safety of its employees. Every employee enjoys the benefit of a pension, non-contributory, solely due to the good will of the company, and in order to create an interest on the part of the workmen in the efficient conduct of the works. In addition the company provides group insurance for every one of the five thousand. It gives him gratuitously an insurance policy for $500 when he starts work; after he has been in the employ of the company for six months the amount of the policy is increased to $1,000. When he has been there another six months it is increased to $1,500, and it does not cost him a cent. If he chooses to put on another thousand dollars he pays for it the nominal sum of ninety cents a month. In addition to this, every one of the 5,000 employees receives, in addition to his day's pay, a bonus for efficiency, a bonus on the rise in the price of lead or zinc, and a bonus on the price of silver.

The workmen's committee of which I spoke looks after medical conditions and hospitalization. A nominal fee is agreed to by the committee with the various members of the clinic, and by paying that fee not only the workman but every dependent member of his family enjoys the advantage of medical attention and hospitalization. The single man contributes just the same as the married man; he helps to bear a part of the burden of the wife and dependents of the married man.

Then the company has contributed generously towards the provision of a very fine memorial hall, in which the employees enjoy the facilities and comforts of a library, a gymnasium, a bowling alley, and a swimming pool. Furthermore the company has contributed a sum in excess of $50,000 towards the construction of an artificial ice rink. To every employee after he has been in the service three years the company gives a share of stock. It matters not whether the market value of that share is $25 or $500, it goes to the employee just the same. They have followed that practice for several years. Then, just to increase the human touch as between the company and its employees, the company encourages them to own their own homes, and it has lent to these employees approximately $1,000,000 for the construction of these homes. The company advances the money and provides a supervisor to see that the letter of the contract is carried out in the most minute detail, and it accepts repayment monthly at a minimum rate of interest. In addition, if the man does not desire to remain in the vicinity of the works during the summer the company will help him to acquire a summer home; it has been just as generous in assisting its employees in the construction of summer homes as it has been in providing them with homes for use the year round. I want to commend to the industrialists of this dominion the splendid service initiated by Doctor Blaylock, and I am sure that every hon. member will join with me in the belief that far better results would be obtained through this generous attitude on the part of employers towards their employees than ever will be obtained through legislation placed on the statute books.

May I extend to you, Mr. Speaker, and through you to every member of this house, a most hearty invitation to visit this wonderful metallurgical plant at Trail. At the same time you will have to go only a short distance to see the most complete power plants on the Kootenay river, in which some 225,000 horse-power at present is being generated for the operation of this huge plant. In addition you will see the company's model farm, on which there are some 170 head of pure bred Ayrshires providing milk for the men working in the plant. This milk is served to the men as an antidote to any possible ill effects from smelter fumes. Again, Mr. Speaker, I extend to every hon. member of the house a hearty welcome to Trail.

On motion of Mr. Manion the debate was adjourned.

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

Wednesday, March 27, 1935

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the first report of the select standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

WEIGHTS AND MEASURES ACT

Hon. R. B. HANSON (Minister of Trade and Commerce) moved for leave to introduce Bill No. 46, to amend the Weights and Measures Act.

Some hon. MEMBERS: Explain.

Mr. HANSON (York-Sunbury): The object of this bill is to define a cord of wood or other substance under the Weights and Measures Act; it is to set up a standard and also to provide that the governor in council may make regulations in relation thereto.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

ST. ROMUALD, QUE., PROTECTION WALL

Mr. VERVILLE:

1. What was the cost to the government of the protection wall built at St. Romuald?
2. How many bags of cement were used, and what was the total cost?
3. How much was expended by the government for uncrushed stone, by the yard, on the site?
4. What was the cost of sand on the site?
5. How much each did the government pay for piles?

Mr. STEWART (Leeds):

1. $24,021.19.
2. (a) 7,396; (b) $4,404.65.
3. 1931-32—$1.05 per yard (field stone for cement work). 1934-35—$1.10 per yard (quarry stone for cement work). 1934-35—$0.85 per yard (stone for backfilling).
4. 1931-32—$0.95 per yard. 1934-35—$0.85 per yard.
5. 1931-32—121 pieces or 1,785 feet at 16 cents, $285.60. 1934-35—223 pieces or 3,575 feet at 15 cents, $536.25.

ALCOHOLIC LIQUOR SMUGGLING

Mr. DORION:

1. What are the names of the alleged smugglers who are actually being given a preliminary hearing in Montreal on a charge of smuggling alcoholic liquors?
2. In connection with the aforesaid matter, was it the federal Department of Justice, or the attorney general of the province of Quebec that requested that such persons should stand trial at the assizes without a preliminary hearing?
3. Did the attorney general of the province of Quebec refuse to comply with the request of the federal Department of Justice?

Mr. GUTHRIE: As the cases above referred to are at the present time before the courts, it is not considered in the public interest to supply the information requested.

SOREL, QUE., SHIPYARDS

Mr. BARRETTE:

1. Did the Minister of Marine receive a petition signed by the employees of the Sorel shipyards?
2. If so, what is the nature of the petition and what are the names of the persons who signed same?

Mr. DURANLEAU:

1. No.
2. Answered by No. 1.

HERMENEGILDE BOULAY

Mr. MICHAUD:

1. Was one Herménégilde Boulay at any time appointed postmaster of the town of Rimouski, Quebec, or to any position in the postal service at Rimouski, Quebec?
2. If so, to what office, how long did he hold the office, and what was the remuneration paid for his services?
3. If removed from office, at whose request, and for what reason?

Mr. SAUVE:

1. Yes.
2. Mr. Boulay was acting postmaster at Rimouski from the 24th to the 27th of November, 1930. He was paid $39.42 which includes the salary of the staff for the period he was in charge.
3. Because the department was informed that Mr. Boulay was not, in the sense of the law, a resident of Rimouski.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HARBOUR COMMISSIONS—LOANS

Mr. MUNN:

1. What amounts have been advanced to the following port authorities—Halifax, Quebec, Montreal, St. John, and Vancouver, up to the 31st of December, 1934: (a) by way of grants; (b) by way of loans?
2. How are the loans secured?
3. What rate of interest is charged by the government?
4. What amount of interest has been paid to the government by each?
5. What amount of interest is delinquent by any?

6. What amount of principal has been returned by any?
7. What amount of sinking fund has been set up by any?

Mr. DURANLEAU: Return tabled herewith.

ALCOHOLIC LIQUOR SMUGGLING

Mr. DORION:

1. What are the names of persons who stood trial at Quebec in the years 1933 and 1934 on a charge of smuggling alcoholic liquors?
2. What are the names of the persons who stood such trial at the assizes without a preliminary hearing?
3. Was the decision to have such persons stand trial at the assizes without a preliminary hearing taken by the attorney general of the province or the Department of Justice?
4. Did the federal Department of Justice or the attorney general of the province of Quebec intervene, in any manner whatsoever, so that such persons should stand trial at the assizes without a preliminary hearing?

Mr. GUTHRIE: Return tabled herewith.

MOTIONS FOR PAPERS

PORT LA TOUR, N.S., BREAKWATER

Mr. DUFF (for Mr. Ralston):

For a copy of all papers, correspondence, telegrams, bills, paylists and other documents in the possession of the Department of Public Works with respect to any work done or material supplied on the breakwater at Port La Tour, Shelburne county, Nova Scotia, since the work referred to in return No. 234, dated April 5, 1934.

WEST BACCARO, N.S., BREAKWATER

Mr. DUFF (for Mr. Ralston):

For a copy of all papers, correspondence, telegrams, bills, paylists and other documents in the possession of the Department of Public Works with respect to any work done or material supplied on the breakwater at West Baccaro, Shelburne county, Nova Scotia, since January 20, 1934.

TARIFF DECREASES

Mr. McPHEE:

For a return showing all decreases in the customs tariff passed by the parliament of Canada in the years 1922 to 1930; return to show former rates as well as decreases and dates when decreases were made.

Mr. BROWN:

For a return showing all increases and decreases in the customs tariff passed by the parliament of Canada in the years 1929-1930; return to show former rates as well as increases and decreases and dates when changes were made.

DOMINION LIVE STOCK COMMISSIONER—
DAILY MARKET REPORTS

Mr. T. E. SIMPSON (West Algoma): May I, with the leave of the house, be

[Mr. Munn.]

permitted to move on behalf of Mr. Stevens the motion standing in his name, as follows:

For a copy of all the daily market reports of the dominion live stock commissioner for the months of January, 1934; March, 1934; September, 1934; December, 1934; January, 1935; and February, 1935, as forwarded from the Toronto representative of the Department of Agriculture for distribution to the markets of the west and to the press, showing:—

(a) The opening prices of live stock on the Toronto market;

(b) Copy of the report of the dominion live stock commissioner's representative in Toronto on the Toronto live stock market as handed by him to the press from day to day regarding the sales and prices on that market.

Mr. DUFF: I am very glad to second that.

Motion agreed to.

GOVERNOR GENERAL OF CANADA

APPOINTMENT OF MR. JOHN BUCHAN TO SUCCEED THE EARL OF BESSBOROUGH

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): I have the honour to inform the house that His Majesty the King has been graciously pleased to approve the appointment of Mr. John Buchan, Companion of Honour and Member of Parliament for the Scottish Universities, as Governor General of Canada, such appointment to be effective upon the relinquishment of office in the autumn of this year by His Excellency the Earl of Bessborough.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I say that personally I am very much pleased at the announcement which has just been made by the acting leader of the government (Sir George Perley) to the effect that Mr. John Buchan will succeed Earl Bessborough when His Excellency's term of office expires. I think the appointment is an excellent one.

CANADIAN NATIONAL RAILWAYS

DRYDOCKING OF CANADIAN GOVERNMENT MERCHANT MARINE SHIPS AT UNITED STATES PORTS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I would like to submit a question to the Minister of Railways and Canals in regard to a protest made against the repairing or overhauling of government steamships in United States docks. The matter has already been before the house, but I wish to submit the

following question to the minister: Can he inform the house in the case of the Canadian Highlander if any inquiry was addressed at any time to the dry dock at Saint John, New Brunswick, as to whether that dock was available, and in the case of the Canadian Britisher whether any such inquiry was made prior to a dock having been already booked at New York?

Hon. R. J. MANION (Minister of Railways and Canals): The question of the Highlander and the Britisher, as the hon. gentleman has remarked, was up a few days ago on a question by the hon. member for Halifax (Mr. Quinn). I wish to say that at that time I gave to the house a statement which was given to me by Mr. Fullerton and which I presume was given to him by the steamship management under him, which statement I believe has since been shown to be somewhat inaccurate. In other words, my understanding to-day is that as regards the questions asked by the hon. gentleman, the answer to that regarding the second boat, the Britisher, is: Yes, an inquiry was made of the Saint John dry dock, to see if it could accept that ship; but in regard to the other, I am informed more or less authoritatively that such inquiry was not made. Since there was some question as to the truth of the statement, which I made here, of course on the authority of the management who are entirely in control, I informed Mr. Fullerton that the government desired a complete investigation into the whole question. We insisted that as far as possible all ships of the Canadian fleet must be repaired in Canadian shipyards, even if sometimes that makes it necessary to repair them in advance of the regular time. The investigation is now going on, and as the matter is in a sense sub judice I do not think I should say anything further at present.

PETITION FOR CLEMENCY

On the orders of the day:

Mr. THOMAS L. CHURCH (East Toronto): I should like to address a question to the government. Has clemency been asked for Mrs. Thomasina Sarao who was sentenced to be hanged for murder in Montreal next Friday? If so, what action has been taken, and is there any hope of sentence being commuted, as she is a woman?

Hon. HUGH GUTHRIE (Minister of Justice): A petition was received on behalf of the woman prisoner mentioned by my hon. friend, but it has been decided that there should be no interference with the sentence of the court in that case.

WHEAT QUOTAS—ARGENTINA

On the orders of the day:

Hon. R. B. HANSON (Minister of Trade and Commerce): On Monday evening last the hon. member for Témiscouata (Mr. Pouliot), and I think also the hon. member for Willow Bunch (Mr. Donnelly) put a question to me when the estimates of the Department of Trade and Commerce were under discussion, with reference to Canada having loaned part of her so-called quota to Argentina. These questions are found on pages 2070 and 2081 of Hansard.

I desire to say that no part of the Canadian wheat export quota for the crop year 1933-34 or for the crop year 1934-35 was in fact transferred or loaned to Argentina. If the statement made in the House of Commons on May 11, 1934, by the Prime Minister, to which the hon. member for Témiscouata referred, is read carefully it will be seen that what the Prime Minister actually said was:

> Any concessions that might be made to the Argentine by reason of the extraordinarily large crop they had would not involve Canada in the loss of any shipments that we might be able to make, for the quota we had for the year was a quota that was greater than we should be able to fill under existing probabilities. In any event it would be merely a loan of a part of our quota until next year, so that we would not lose anything if we made an adjustment with the Argentine.

The Prime Minister was referring to conversations then in progress during which the other overseas wheat exporting countries had expressed their willingness, subject to certain safeguarding conditions, to transfer temporarily to Argentina part of their export quotas that were unlikely to be used. In the event, Argentina was not willing to subscribe to the safeguarding conditions, and so no transfer of quota from Canada to Argentina ever took place. There is therefore no question of Argentina returning something which that country never received.

CONFERENCE OF MAYORS

REPORTED REQUEST OF REPRESENTATIVES OF CANADIAN CITIES AND MUNICIPALITIES TO BE HEARD AT BAR OF THE HOUSE

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I should like to ask the acting Prime Minister (Sir George Perley) if he has received any request from the mayors who are now assembled, or have been assembled for the past two days, in Montreal that they be received at the bar of the house and allowed to state their grievances to this parliament? If so, what action have the government taken in the matter?

Right Hon. Sir GEORGE PERLEY (Acting Prime Minister): The government has received no request from the mayors to be heard at the bar of the house.

Mr. HEAPS: According to press reports the mayors assembled in Montreal made a request to be heard at the bar of the house. According to the same report that request has been refused. I regard the matter as one of urgent public importance, and therefore I beg leave to move the adjournment of the house to call attention to a definite matter of urgent public importance, namely, the request of the mayors and representatives of the following cities and towns in the Dominion of Canada to be heard at the bar of the house, in order to lay before parliament the critical conditions prevailing.

The list of the mayors and reeves or representatives of municipalities throughout Canada who have made the request is as follows: Camillien Houde, mayor of Montreal—

Mr. SPEAKER: May I interrupt the hon. member to point out that according to standing order 31 which governs such a motion—

Mr. HEAPS: May I without being discourteous to the chair—

Some hon. MEMBERS: Order.

Mr. HEAPS: This is part of the motion.

Some hon. MEMBERS: Order.

Mr. HEAPS: I was just pointing out—

Some hon. MEMBERS: Order. Sit down.

Mr. SPEAKER: I point out to the hon. member who is asking leave to propose this motion that the first paragraph of standing order 31 states when such a motion shall be made, that it shall be before notices of motion. That order on the order paper is past, and the motion which he is now making is too late.

Mr. HEAPS: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member has the right, and I shall allow any member of the house to discuss the matter in the regular way.

Mr. HEAPS: Standing order 31 also says:

> Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15).

I submit with all due deference that the ordinary routine business has not yet been disposed of. We are now on the orders of the day, with private members still having precedence, and until the private members are through with their questioning I claim that I still have the right to place this resolution before parliament.

Mr. SPEAKER: The routine proceedings are as set out at page 2 of the routine proceedings and orders of the day of Wednesday, March 27.

Mr. HEAPS: Louder, we cannot hear a word.

Mr. SPEAKER: The routine proceedings are set out on page 2. Then follow the questions. Following questions are notices of motions for the production of papers.

The learned author of Beauchesne's Parliamentary Rules and Forms has pointed out, what I think was pointed out by the hon. member who spoke to the point of order, that standing order 15 does set out what the routine proceedings are, and they always are carried on daily and are strictly observed in drawing up the orders of the day. As I read paragraph (1) of standing order 31, a motion to adjourn the house must be made after the daily routine business has been concluded and before notices of motion. It occurs to me that the time is now too late to make the motion.

Mr. ROBERT GARDINER (Acadia): May I call Your Honour's attention to the orders of the day for Wednesday, as shown on page 40 of Beauchesne. They are as follows: questions; notices of motions; public bills and orders; government notices of motions; government orders. Now we have not yet reached the proceeding of government orders; in fact we have not even reached notices of motions. Consequently, I think the hon. member for North Winnipeg is in order.

Mr. SPEAKER: I could not quite hear the first part of the hon. member's remarks. Is he referring to page 40?

Mr. GARDINER: Yes, page 40, the routine proceedings for Wednesday, that is to-day.

Mr. SPEAKER: Questions; notices of motions; public bills and orders; government notices of motions; government orders. That is the business of the day; that is after routine proceedings. If the hon. member would refer to paragraph 2 on the preceding page he would see that the ordinary daily routine of business is set out, consisting of presenting reports by standing and select committees; motions—including notices of motion for the production of papers—and introduction of bills. Those are the routine

proceedings according to standing order 15; they are always so designated in the orders of the day presented to the house each day.

Mr. HEAPS: But may I point out that paragraph 134 on page 42 says:

The time for asking leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance is after "routine proceedings" and before notices of motions or orders of the day are entered upon.

The word "or" is there which, according to my interpretation of this paragraph, means that my motion is perfectly in order.

Sir GEORGE PERLEY: I think Your Honour is quite right in your interpretation of the rule. I would put it to my hon. friend from North Winnipeg (Mr. Heaps) in this way: Under standing order 15 there is a list of the routine proceedings. Then it says:

The order of business for the consideration of the house, day by day, after the daily routine, shall be as follows:—

And on Wednesday:

Questions; notices of motions; public bills and orders—

So questions come after routine. That appears on page 40; questions and notices of motions come after the routine proceedings are concluded. Therefore according to this rule, which was quoted by the hon. gentleman also, routine proceedings have been concluded; the routine business was concluded before questions were answered.

Hon. IAN MACKENZIE (Vancouver Centre): It seems to me, Mr. Speaker, that the whole question hinges on whether the order, on page 7 of the orders of to-day, of notices of motion for production of papers is synonymous with the order for notices of motion on page 10 of the orders of the day. If Your Honour decides that notices of motion for production of papers means notices of motion under standing order 15, then I think Your Honour's ruling is correct. On the other hand I think there is force in the contention that the rule refers only to the notices of motion which come after the orders of the day, on to-day's order paper. In that event, sir, I think the hon. member for North Winnipeg is quite entitled to proceed. I think there is distinct ambiguity under this rule, and because of that ambiguity I think the hon. member should be permitted to proceed.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, there does appear to be a very profound doubt in your own mind as to the ruling you should give on this occasion. With all deference I submit to Your Honour that the question at issue is of such vital importance to the whole dominion, involving as it does in the words of the mayors themselves the very peace, order and good government of Canada, that it would be a dangerous thing to deny the hon. member for North Winnipeg the opportunity of presenting this case to this house at this time. I do not think the house can afford to overlook this matter, especially as Your Honour does appear to have some doubt on the point.

Mr. SPEAKER: Is there any further discussion on the point of order?

Hon. R. J. MANION (Minister of Railways and Canals): I wish to say a word on the point of order. It strikes me, Mr. Speaker, as it always has struck me that the proceeding of the house under which any motion such as this should be made is distinctly set out on page 2 of the order paper. First comes reports by standing and select committees; then comes the routine proceeding of motions. That does not apply only to government motions; private members have the same right to submit motions as have members of the government. Very many private members on both sides of the house submit motions of one kind or another under that order, and I think the hon. gentleman should have submitted his motion under the order of motions, just as you have pointed out.

Mr. MACKENZIE (Vancouver): But motions are a part of routine proceedings, and this rule specifically states that motions must be proceeded with after routine proceedings are disposed of.

Mr. MANION: My hon. friend may be right, but I am giving my opinion. I think this should have come up under motions.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. President,—

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: There are two official languages used in this house, and if I choose to use the French form there is no reason why I should not do so. Mr. Speaker, I submit that the reason for this rule is that on any sitting day of the house, if there is a matter of definite urgent public importance an hon. member should have the right to bring it to the attention of the house. I cannot conceive that this rule 134 is very clear. The time for asking leave to move the adjournment of the house for the purpose of moving a definite matter of urgent public importance is after routine proceedings and before the orders of the day are entered upon.

That seems to be perfectly clear. Up to the present the orders of the day have not been entered upon. If this is not the time, would you, Mr. Speaker, indicate just when is the time, because undoubtedly these proceedings of which we have already disposed, including notices of motion for the production of papers, are a part of routine proceedings, and so with questions. At that time we could not enter upon a discussion of the matter. I do not see any other time when it would have been proper to introduce a motion of this kind. On a number of occasions in the past fourteen years I have introduced motions of this kind, and unless my memory fails me they were introduced on the orders of the day. I should have to look that up, but I think that is the case, and I do not see that the rule is very clear.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I do not often intervene in a debate of this kind, but it seems to me that the argument is concerned purely with a matter of technicality. I would suggest to you, sir, and to the house that as this matter seems to be of very considerable importance, the house be generous enough to revert to that order of business which will permit this motion to be proceeded with.

Mr. GARLAND (Bow River): In any case may I submit that we have not yet reached notices of motion.

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): Notices of motion appear on page 10 of the orders of the day of to-day, Wednesday, March 27.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Just before you give your ruling Mr. Speaker, may I say that I am anxious to support the Speaker in any ruling he may give which upholds the rules of the house, and I am prepared to do so. At the same time I favour the point of view presented by the hon. member for North Waterloo (Mr. Euler) who has just spoken, and I would express the hope that a generous attitude might be taken by the house itself on this matter and that we might return to the order of proceedings which would permit of the motion being discussed. The point that is being raised at the moment, as to the time at which this motion should be introduced, is purely technical. Once the motion is introduced it can be discussed and will have to be discussed on its merits. I would favour a generous view being taken as to the introduction of the motion.

[Mr. Woodsworth.]

Sir GEORGE PERLEY: So far as this side of the house is concerned we have no objection whatever to this matter being discussed, but we think the hon. gentleman is out of order and should withdraw his motion. Then if he chooses to move that we revert to the order of motions, which would sustain the ruling of the Speaker, so far as I am concerned I would have no objection to doing so.

Mr. SPEAKER: Does the hon. member for North Winnipeg accede to the request of the acting Prime Minister?

Mr. HEAPS: On the understanding given by the acting Prime Minister I am glad to withdraw my motion.

Mr. SPEAKER: Shall consent be granted?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Now may I crave the indulgence of the house with respect to standing order 31? I am very glad that this matter has been brought up to-day, and I purposely intervened when the hon. member rose to his feet. There is no standing order of the house which has given me more concern in the last two months than has the rule now in question. Hon. members may recall a discussion which took place in this chamber two years ago. Undoubtedly the hon. member for Shelburne-Yarmouth (Mr. Ralston) will remember it, and if the Prime Minister were here I believe he would remember it too. The question arose as to whether or not under section (3) there would be an appeal from the decision of the Speaker.

May I say to hon. members that I have given the general provisions of this section the utmost consideration within my power, and I have no hesitation in saying that the section is ambiguous from beginning to end. There is ambiguity in section (1) about which I raised the point a few moments ago, for the purpose of obtaining a definite opinion. Hon. members will know I asked for discussion of the matter. The whole proceeding under section (3) is upon the assumption that an affirmative answer has been given throughout whereas, as a matter of fact, there may be a negative answer. That is, there may be a negative answer under section (3) with regard to the statement which is offered for discussion before the house. There may be a negative decision on the point as to whether or not the matter is of urgent public importance or as to whether the actual form in which the motion is couched is correct. There is nothing in the provisions of this standing order which provides for the reading of the statement to

the house, unless the Speaker finds that throughout the procedure everything has been in order—an almost impossible situation.

I draw this matter to the attention of hon. members. It is my belief that arrangements should be made for a small committee of the house to discuss this section of standing order 31 so that it may be revised and made clear with a view to following more easily proper procedure. I crave the indulgence of the house for having taken this length of time in a discussion of this particular section. However this matter is of importance; the sections are certainly ambiguous and indefinite and should be made as definite as possible. Will the hon. member kindly proceed.

Mr. WOODSWORTH: I would move that we revert to whatever may be the proper motion or order under which this matter could be discussed.

Mr. SPEAKER: Is the motion carried, with the unanimous consent of the house?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Will the hon. member proceed.

Mr. HEAPS: I wish to thank you, Mr. Speaker, the acting Prime Minister and the house for the kindness of interpreting the rules of the house so that I may have an opportunity of moving what I consider to be a somewhat important resolution. I move, seconded by the hon. member for Winnipeg North Centre—

Mr. SPEAKER: Order. This is a matter of extreme importance, and it is very necessary that the remarks of the hon. member be heard in all quarters of the house.

Mr. HEAPS: I beg leave to move the adjournment of the house to call attention to a definite matter of urgent public importance, namely, the request of the mayors and representatives of the following cities—

Some hon. MEMBERS: Speak up.

Mr. HEAPS: I cannot do better than I am doing. I beg leave to move the adjournment of the house to call attention to a definite matter of urgent public importance, namely, the request of the mayors and representatives of the following cities and towns in the Dominion of Canada to be heard at the bar of the house, in order to lay before parliament the critical conditions prevailing. Then, Mr. Speaker, the list which I shall now read is a list of the mayors who have requested to be heard before parliament. The list is as follows:

C. Houde, Montreal.
G. G. McGeer, Vancouver, B.C.
James Simpson, Toronto.
David H. Elton, Lethbridge, Alta.
E. J. Cragg, Halifax, N.S.
Joseph A. Clarke, Edmonton, Alta.
G. A. Wenige, London, Ont.
R. Davison, Calgary, Alta.
R. M. Pinder, Saskatoon, Sask.
C. Rink, Regina, Sask.
D. Leeming, Victoria, B.C.
R. J. Westgate, City Commissioner, Regina, Sask.
Homer B. Neely, London, Ont.
Henry E. Woolmer, Pointe Claire, Que.
T. Lambert, Mayor, Hull, Que.
J. E. Grégoire, Mayor, Quebec, Que.
H. E. Ratz, Mayor, Waterloo, Ont.
E. L. Bédard, Mayor, Sarnia, Ont.
Paul Pratt, Mayor, Longueuil, Que.
J. A. Lachance, Mayor, Ville St-Pierre, Que.
Mayor I. L. Davis, Chatham, Ont.
H. Ferland, Mayor, Verdun, Que.
P. A. Fournier, Buckingham, Que.
C. H. Read, Mayor, Amherst, N.S.
S. E. Muggah, Mayor, Sydney, N.S.
G. H. Robichon, Mayor, Trois-Rivières, Que.
D. M. Morrison, Mayor, Glace Bay, N. S.
M. J. Rutledge, City Manager, St. Lambert, Que.
John Wilson, Vankleek Hill, Ont.
John W. Hanna, Wingham, Ont.
R. A. Farrow, Walkerville, Ont.
F. J. Hume, New Westminster, B.C.
A. D. Norris, Mimico, Ont.
Fred H. Bradley, Sherbrooke, Que.
W. H. Biggar, Montreal, Que.
Jas. W. Brittain, Mayor, Saint John, N.B.
Thos. H. King, Moncton, N.B.
Samuel Kennedy, Charlottetown, P.E.I.
Jas. G. White, Ald., Niagara Falls, Ont.
R. H. Thomson, Ald., North Bay, Ont.
W. G. Bullbrook, Mayor, North Bay, Ont.
J. J. McRae, Ald. Vancouver, B.C.
Geo. O. Tice, Belleville, Ont.
H. J. A. MacEwan, Goderich, Ont.
A. W. Johnson, St. Thomas, Ont.
Albert Beauregard, representing Mayor, La Prairie, Que.
J. T. R. Boissey, Mayor, St. Lambert, Que.
J. A. Smith, Mayor, Kitchener, Ont.
F. G. Kennedy, Mayor, Ridgetown, Ont.
Fr. Robidoux, Mayor, Sorel, Que.
Anatole Carignan, Mayor, Lachine, Que.
Geo. C. Miller, Ald., Vancouver, B.C.
E. Bertie, Mayor, St. Jerome, Que.
W. J. Cullen, Mayor, Sudbury, Ont.
George Bennett, Mayor, Windsor, Ont.
Victor Chabot, Ald., St. Hyacinthe, Que.
J. E. A. Dubuc, M.P., Chicoutimi, Que.
W. A. Parisien, Mayor, Cornwall, Ont.
W. A. Gordon, Revelstoke, B.C.
H. H. Gosselin, Mayor, Farnham, Que.
Conrad Perrault, Mayor, Joliette, Que.
J. H. Nadon, Cap-de-la-Madeleine, Que.
L. P. Lizotte, Mayor, Rivière du Loup, Que.
J. Ad. Landry, Mayor, Mont Joli, Que.
P. W. Caldwell, Mayor, Campbellton, N.B.
F. R. Beggs, Mayor, Wilkie, Sask.
J. A. Gagnon, Mayor, Grand'Mère.
T. Labbé, Maire, Thetford Mines, Que.
A. Gigaire, Mayor, Shawinigan Falls, Que.
Geo. H. Barefoot, St. Boniface, Man.
E. Partridge, Reeve, West Kildonan, Man.
O. J. Kerr, Mayor, Stratford, Ont.

P. R. Carter, Mayor, Simcoe, Ont.
Herbert Andrews, Ald. representing Mayor Queen, Winnipeg, Man.
Leo Trépanier, Ald., Montreal, Que.
H. S. Johnstone, Mayor, Moose Jaw, Sask.
Fred Bancroft, General Secretary.

Sir GEORGE PERLEY: I did not wish to interrupt the hon. member when he was reading his petition, but as a matter of fact I am very anxious that this procedure should not be considered a precedent. I call Your Honour's attention to the fact that this is not a proper way to present a petition—that is to read it. It is supposed to be sent in, and should not be read in that way, in full. I thought that under the circumstances I would not object earlier, but I do urge that the presentation of a petition in the manner it is now being presented should not be made a precedent.

Mr. HEAPS: May I point out to the acting Prime Minister that this is not a petition. I have read my motion, with a list of the mayors and representatives of the municipalities in Canada who are anxious to appear before the house.

Mr. CHAPLIN: Are there six mayors in Montreal?

Mr. HEAPS: No, there is one mayor, and there are one or two other representatives. I have now moved my motion, which has been seconded, and I assume I have leave of the house to proceed with my motion for the adjournment.

Mr. SPEAKER: Will the hon. member state briefly to the house the question he proposes to discuss?

Mr. HEAPS: I have; I sent you a copy.

Mr. SPEAKER: The house has not heard the motion.

Mr. HEAPS: I moved it. I moved the following, seconded by the hon. member for Winnipeg North Centre:

> I beg leave to move the adjournment of the house to call attention to a definite matter of urgent public importance, namely, the request of the mayors and representatives of the following cities and towns in the Dominion of Canada to be heard at the bar of the house, in order to lay before parliament the critical conditions prevailing.

I read that at the beginning.

Some hon. MEMBERS: Go on.

Mr. HEAPS: I assume, having now obtained—

Mr. SPEAKER: The hon. member has stated the matter, and I take it the motion he has sent to me is the statement to which reference is made in subsection (3), May I repeat what I said a minute ago—

Some hon. MEMBERS: Speak out.

Mr. SPEAKER: I have always endeavoured to speak loud enough in this chamber. May I point out that the motion directed to the house brings out the ambiguities that arise under the standing order. Subsection (3) states:

> He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out—

Which is not what has been followed in this case—

> —and asks whether the member has the leave of the house. If objection is taken—

and so forth; I shall not proceed any further with that. As the question, however, has been read to the house I am going to crave the indulgence of the house to refer to it. The motion is for leave to move the adjournment of the house to call attention to a matter of definite and urgent public importance, namely, the request of mayors and representatives. As yet we have no evidence of any request. There has been none presented to the house. That is one ground upon which I would rule that the motion is out of order.

But may I point out something further, that the motion by its very wording is out of order as it states finally, "in order to lay before parliament the critical conditions prevailing." It speaks of something prevailing. Now the definite rule of the house with respect to a motion of this kind is that it must refer to a matter of recent occurrence, but here is something which has been prevailing.

May I point out also that it covers a universal field, not one particular item, but the critical conditions prevailing. So I rule that the motion is out of order.

Mr. HEAPS: Mr. Speaker, I would respectfully dissent from the ruling because I feel that similar resolutions of a nature such as I have put before the house have been discussed time and time again.

Mr. SPEAKER: I would ask the hon. member to show to the chair that deference which I am sure he feels by not discussing the matter further.

Mr. HEAPS: I want to appeal from your ruling, Mr. Speaker.

Mr. SPEAKER: That is different.

Mr. GOTT: Before the orders of the day are called—

Mr. GARLAND (Bow River): I understood, Mr. Speaker, that the hon. member for North Winnipeg (Mr. Heaps) had appealed from your ruling, and in that case, sir, I must ask you to put the question.

Mr. SPEAKER: Before I can put any question there must be the usual number arise.

Mr. GARLAND (Bow River): The question has not yet been put to the house.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, may I just say one word with respect to the point of order, and that is to raise the question as to whether there is an appeal or not from Your Honour's ruling, because if reference will be had to subrule 3 on page 72 of our Rules and Forms it will be observed that it reads:

He—

That is the member who desires to move the adjournment of the house.

—then hands a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order,—

and so forth. In other words, it is in the discretion of the Speaker as to whether it is a subject coming within the scope and intent and purpose of this very rule, and I submit under these circumstances that this is a case where the question is peculiarly within the right of the Speaker to decide. He is not giving a decision with respect to the interpretation to be placed upon a rule but he is exercising a discretion which the rules of the house have reposed in the chair.

Mr. WOODSWORTH: Mr. Speaker, I submit that there is a motion before the house regularly moved and seconded, and following that, Your Honour has definitely declared that motion out of order. Under those circumstances there seems to be nothing that can be done other than to put the motion involved in the appeal against the Speaker's decision.

Mr. SPEAKER: Is there any further discussion?

Mr. HEAPS: Mr. Speaker, do I understand that there is no appeal in a matter of this kind against the ruling of the chair? I think there is, and I think it should now be the duty of the Speaker to see whether his ruling is sustained or not.

Mr. BELL (Hamilton): In other words, forfeit his own discretion.

Mr. SPEAKER: As I stated a moment ago, in a statement perhaps too lengthy, I had the gravest doubts in my own mind with respect to the proper interpretation which should be put upon the words which have been drawn to the attention of the house by the hon. Minister of Finance (Mr. Rhodes), and owing to the fact that there is a doubt in my mind I am going to rule that there is leave to appeal. I should like to say that I agree in a general way with the interpretation which has been placed on these words by the Minister of Finance, but it is by no means clear, and it is one of those cases to which I referred a short time ago, that where there is any doubt I do not think the Speaker should take the attitude that there should not be an appeal from his decision. I shall therefore allow the appeal.

Some hon. MEMBERS: Question.

Mr. SPEAKER: Mr. Heaps, seconded by Mr. Woodsworth, has asked for leave to move the adjournment of the house—shall I dispense?

Some hon. MEMBERS: Dispense.

Mr. SPEAKER: I have ruled the said motion out of order, and from that ruling the hon. member for North Winnipeg (Mr. Heaps) now appeals.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Anderson (Halton)	Dorion
Arsenault	Duguay
Arthurs	Dumaine
Baker	Dupré
Barber	Dupuis
Barrette	Duranleau
Beaubien	Embury
Belec	Ernst
Bertrand	Esling
Beynon	Ferland
Blair	Fraser (Cariboo)
Bothwell	Fraser (Northumberland, O.)
Bouchard	Gagnon
Boucher	Ganong
Boulanger	Geary
Bourgeois	Gobeil
Boyes	Golding
Brasset	Gott
Brown	Gray
Bury	Guthrie
Cahan	Hackett
Campbell	Hall
Carmichael	Hanbury
Casselman	Hanson (York-Sunbury)
Chaplin	Harris
Church	Hay
Davies	Howard
Deslauriers	Jacobs
Dickie	
Donnelly	

Jean	Rhéaume
Johnstone	Rhodes
Jones	Rinfret
Lacroix	Rowe
Lapointe	Rutherford
Lawson	Ryerson
Loucks	Sauvé
Macdonald (Kings)	Séguin
Macdougall	Shaver
Mackenzie (Vancouver Centre)	Short
MacMillan (Mackenzie)	Simpson (Simcoe North)
MacMillan (Saskatoon)	Simpson (Algoma West)
MacNicol	Smith (Victoria-Carleton)
McDade	Smoke
McGillis	Spence
McGregor	Spotton
McKinnon	Sproule
McPhee	Stanley
Manion	Stewart (Leeds)
Marcil	Stewart (Lethbridge)
Matthews	Stinson
Mercier (Laurier-Outremont)	Stirling
Michaud	Stitt (Nelson)
Mills	Stitt (Selkirk)
Moore (Ontario)	Sullivan
Motherwell	Sutherland
Mullins	Taylor
Myers	Tétreault
Neill	Thompson (Simcoe East)
Peck	Thompson (Lanark)
Perley (Qu'Appelle)	Tummon
Perley, Sir George	Turnbull
Pettit	Verville
Pickel	Weese
Plunkett	Weir (Melfort)
Porteous	Weir (Macdonald)
Power	White (London)
Price	White (Mount Royal)
Quinn	Willis
Ralston	Wright—139.
Rennie	

NAYS

Messrs:

Bradette	Macphail, Miss
Coote	Mitchell
Gardiner	Munn
Garland (Bow River)	Reid
Heaps	St-Père
Howden	Speakman
Irvine	Spencer
Luchkovich	Woodsworth—16.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. McKenzie). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. SMOKE: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. ANDERSON (High Park): I was paired with the hon. member for North York (Mr. Mulock). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. CANTLEY: I was paired with the hon. member for Richelieu (Mr. Cardin). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. MOORE (Châteauguay-Huntingdon): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. MACKENZIE KING: I was paired with the Prime Minister (Mr. Bennett). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. MacINNIS: I was paired with the hon. member for Queens (Mr. McLure). Had I voted, I would have voted against the Speaker's ruling.

Mr. GIROUARD (Translation): I was paired with the hon. member for Richmond-Wolfe (Mr. Laflèche). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. DESROCHERS (Translation): I was paired with the hon. member for West Essex (Mr. Robinson). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. DUBOIS (Translation): I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted, I would have voted to sustain the Speaker's ruling.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, March 26, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment of Mr. Ralston, and the amendment to the amendment of Mr. Coote.

Hon. R. J. MANION (Minister of Railways): I should like at once to congratulate my colleague the Minister of Finance (Mr. Rhodes) on the clear, frank and very able statement which he has given of conditions not only in Canada but in the world at large, so far as business affairs are concerned, and I congratulate him as well upon the fearless yet fair application of taxes to those best able to bear them. Since the presentation of the budget the press of Canada has been very generous in its praise; in fact, the approval of the budget has been so general that,

it seems to me, rarely has such unanimity been in evidence, in all the years that I have been a member of this house, as there has been on this occasion in connection with the present budget; and probably the best compliment which was paid the Minister of Finance was in the more or less unanimous nickname, if I may so describe it, which was given the budget when it was called "the poor man's budget." I believe it is a poor man's budget inasmuch as it goes further than we have yet gone in this country in the redistribution of wealth and in placing taxes where they should be placed—

An hon. MEMBER: On the poor man.

Mr. MANION: In this budget there are no taxes on the poor man, but they are placed on those who are well able to bear them.

I have listened, as I always do, with a great deal of interest, to my hon. friend from Shelburne-Yarmouth (Mr. Ralston), the official financial critic of the opposition. In a speech which took two hours and forty minutes, the hon. gentleman I must confess almost rivalled his leader in the length of the addresses which that right hon. gentleman gives, and he still maintains that air of pessimism and defeatism which he displayed last year and the year before, in spite of the fact that so far as Canada is concerned—and I think so far as the world generally is concerned—the corner has been turned in regard to the depression. In fact it was turned well over a year ago, but my hon. friend, or I think I should say my hon. friends opposite, find no gratification in that. There is no pleasing them with anything. I am sorry for them; they cannot cheer up. The hon. gentleman in his usual eloquent manner wept, wailed and gnashed his teeth about the terrible conditions in Canada. I believe he did endeavour on one or two occasions to say that he was very glad conditions were getting better, but he proceeded immediately to show that they were getting worse. As I listened to him—and I did attentively—I decided that there could be a very good biblical description of his speech: it was a strange mixture of the wailings of Jeremiah, the doubtings of Thomas, and a few dashes of the flavouring of Ananias. My hon. friend is being affected I think by the fact that he does not remain in his own province. He comes I am told from a very charming constituency, that of Shelburne-Yarmouth, a constituency that juts out into the broad Atlantic where the tang of the salt air comes in and keeps the cobwebs out of people's brains. Yet the hon. gentleman has come up to live on St. James Street where budgets are always unpopular, because the moguls down there, before the budget comes out, fear they may be taxed, and after it comes out, they usually find they have been. Consequently I am afraid my hon. friend is being affected by them. I would suggest to him with all due respect and the utmost friendliness that he go back and spend more of his time in his constituency, in which event he would probably not only be sure of re-election, but would also clear out from his brain those cobwebs of depression.

I notice that the opposition seem to be in this mood: if the general depression continued to lead the people of Canada down into the valleys, they would be happy, because then they would be able to float on the tide of discontent that is present always in crises of this nature, once more back into power. But as they see business picking up in this country and conditions improving throughout the world, they feel that hope of victory which they did possess a year ago, and I think with some just cause owing to conditions, is gradually being banished from their minds and they are getting more and more afraid that we shall perhaps hold the election off until much better conditions have finally arrived and the people can judge normally as they should, and return to power an administration which has given Canada such splendid government.

The Liberal motto seems to be not "country first," but "party and politics first"; that is their attitude. There is no acknowledgment of world conditions, no acknowledgment of a crisis that was more severe than the world has seen in its economic history, a crisis in which two-thirds of the world trade was wiped out altogether, in which tens of millions of people in the industrial countries were unemployed, in which economic nationalism has been rampant throughout the world, in which dictatorships have sprung up in half the countries of Europe, and in which repudiation of interest and even of debt has become quite common. In a time when the maintenance of the democratic institutions in which we believe is an achievement, my hon. friends opposite talk as if conditions in the world were all normal. May I ask them this question: What country or what people escaped the world depression? The answer is obvious: No country and no people. My hon. friends opposite have a habit—and my hon. friend exhibited it in his speech—of showing business conditions in Canada between, say 1926 and 1929, and trying to take the credit for them. All they were doing at that time was floating forward on a wave of the wildest kind of boom, and if they must get the credit for that, then they must also take the blame for the depression which followed and for all the

tragedy that succeeded upon the depression of 1929. To the Liberals, apparently, at any rate to the Liberals in the house, it seems to be no achievement that Canada came through at least as well as if not better than did any other country. They set off on a smug pretence of cooperation with and assistance to this government, when as a matter of fact all we have received from them in the five years during which we have been in power, has been criticism, fault-finding, and every possible attempt at embarrassment that they could think of. They have become the party of reaction, of stand-patism, of laissez-faire. Apparently those are their principles at the present time.

Even if I wanted to, I could not for lack of time go into every detail of the speech of the hon. member for Shelburne-Yarmouth, because he spoke for two hours and forty minutes and I have not that time at my disposal. But if I had the time I could do this: I think I could take almost every positive statement that the hon. gentleman made and show that in most or practically all of the cases he twisted the facts to suit his own purpose, or if he did not do that, he did as at least some lawyers have such an ability to do; he twisted the argument in such a way as to deprecate the achievements of the government. The hon. gentleman has now a habit, which he has practised at least since he has been in opposition, of keeping always down in the valleys. He seems to forget that sometimes the sun is shining on the hill tops. He keeps on dealing with small matters when, with his natural ability, he could be on the hill tops dealing with the bigger questions, and he could deal with them very ably.

I am going to discuss a few of his statements and show what I mean by saying that most of them could be disproved. For example he stated that the Minister of Finance had spoken of the wiping out of trade restrictions only as a preelection discovery. I had on my desk in my room the budget speeches for the past two years, 1933 and 1934, but apparently I forgot to bring them down with me. I meant to quote the 1933 one, that is two years ago, in which the Minister of Finance very clearly pointed out to the people of this country that there was too much economic nationalism; that tariffs were too high throughout the world; that no individual country could lower its tariffs, but that all countries should wipe out so far as they could the economic nationalism which was swamping world trade. He pointed that out in 1933 and again in 1934.

Then the hon. gentleman belittled the tariff changes in the budget. Last year, as I remember very well, he attacked us in this way: I do not know his exact words, but he implied that we were treating the tariff board with some contempt. This year he forgot to mention what is a fact, namely that all the tariff changes—and there are some forty-five decreases in the tariff—in the budget of this year were based upon the findings of the tariff board.

Mr. RALSTON: Tied down by the terms of the Ottawa agreements.

Mr. MANION: I do not quite get the point that the hon. gentleman is making; I simply state that every change in the tariff made by the Minister of Finance this year was made on the recommendation of the tariff board.

Mr. RALSTON: No, only twelve.

Mr. MANION: My colleague, the Minister of Finance corrects me. I understood that it was the decreases. The minister says that any increases in the tariff—and there were only three—were based on the recommendations of the tariff board. I misunderstood him when he told me this yesterday. However, I am on as solid ground I think on that as the other. The hon. gentleman if he had been fair, as he usually is, would have admitted that he did not find the same reason for pointing out the contempt which the government was supposed to be heaping on the tariff board this year as he was supposed to have found when he spoke last year.

Mr. RALSTON: My hon. friend was very fair yesterday. When I referred to the raise in the tariff I expressly mentioned that my hon. friend the Minister of Finance had apologized for it and had said it was because the tariff board had recommended it.

Mr. MANION: Well, we will pass it up; it is not very important. I did not intend to waste time; I am merely dealing with a few of the hon. gentleman's statements.

My hon. friend also made a great ado about toy construction sets. He has a habit of picking out two or three unimportant items out of thirty or forty tariff reductions; he picked out toy construction sets and made a great joke about them and his friends laughed hilariously over the fact that the tariff on toy construction sets had been lowered. But I may say that as a matter of fact the British government specifically requested that lowering, and as it was done at the request of the British government they must have considered it of some importance.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I do not object to interruptions, I welcome them if they are real questions, but I do not know that there should be general growling from the other side. My hon. friend ignored altogether such items as aircraft, locomotives and other major items.

Then he stated that this is a "make believe budget." He belittled the cuts in every way, and he praised very highly, as do all hon. members on the other side, the Dunning budget. He lauded that budget to the skies. But if there ever was a budget brought into this house which was filled with make believe it was the Dunning budget. He did not mention that in the Dunning budget they made items free which never in her history were produced in Great Britain, many of them in fact which the people of Great Britain never see unless they come to Canada. We do not import from Great Britain eggs in the shell, wheat, beans, barley, cornmeal, oats and oatmeal. Every one of these things Great Britain has to import. Yet they were in the Dunning budget. Rye, and rye flour, hay and straw, natural cut flowers—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: They would be in a nice fresh state by the time they got here. And there is a full page of fresh vegetables and fruits, such as rhubarb, tomatoes, parsnips. And worst of all, a full range of agricultural implements, which were never made in Great Britain, which most people in Great Britain never saw at all I think, such as mowing and reaping machines, harvesters, cultivators, harrows, seed drills, ploughs, corn-husking machines and so on. Talk about a make believe budget, if ever there was a make believe budget brought into the House of Commons of Canada it was the much praised —by the other side—Dunning budget. It is no wonder that Charley quit the house after it, and that the people of Regina when they woke up to the kind of make believe budget he brought in helped him along in the quitting. There are always three things out of which I get a good laugh, one is the Dunning budget when hon. gentlemen opposite talk about it, the second is the 1919 Liberal platform, and the third is that book Industry and Humanity.

Mr. DUFF: What about the bed time stories?

Mr. MANION: I leave them to my hon. friend. I saw an item in one of the newspapers the other day, sent out I think by the Canadian Press, that up in London someone had asked for Industry and Humanity and it said it was the first time in ten years it had been asked for. It is so little in demand that it is news when anyone asks for it. When a man bites a dog, it is news. The request for the book is in the same class. I was going to suggest to the right hon. gentleman that the next time he writes a book he should add a few lighter touches, or make his books interesting like those of the hon. member for Ontario (Mr. Moore), which I read with great pleasure, although I do not always agree with him. The right hon. gentleman writes a little too heavily. The next time he writes a book he might ask the hon. member for Ontario to give him a few literary touches. The hon. member for Quebec South (Mr. Power) could also help him, and the member for Cartier (Mr. Jacobs); I was wondering if they might not add a chapter on Abie's Irish Rose. Or the hon. member for Antigonish-Guysborough (Mr. Duff) might contribute some stories about piracy on the high seas.

Mr. DUFF: Mr. Speaker, I would not like to say what stories the doctor from Fort William could give us.

Mr. MANION: Well, I think I could improve the book no matter what I might give, almost anything would improve it. Then I was going to suggest to my right hon. friend —I am sorry he is not in his seat—that if those that I have already suggested do not help him, he might call on the hon. member for Lisgar (Mr. Brown) to contribute a few spicy stories.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: If at the head of every chapter he would put one of those spicy stories, and then shorten the rest of the chapter very materially people would like the book much better.

Mr. BROWN: What is my hon. friend's idea of a spicy story?

Mr. MANION: I could tell my hon. friend in parliament my idea of a spicy story but I am quite sure he could not tell his idea of one.

Now to be serious again—

Mr. VALLANCE: Why "again?"

Mr. MANION: I did not know I would get such applause from my hon. friends opposite. The hon. member for Shelburne-Yarmouth made much ado about the changes which may have to be made in the budget when it reaches the committee stage. Of course, changes are always made in budgets in committee stage. I merely wish to mention two great changes that come to my mind that were made in

former budgets, those by the late Mr. Robb in connection with the automobile tariff after the people concerned came down and interviewed him and his leader, and the others made by Mr. Fielding, including very marked changes in the cigarette tax. Every budget that is brought in undergoes changes in the committee stage, because of inadvertent injustices done, as nearly always happens when a budget is being drawn up, some technical error or something of that kind, so that changes are essential.

Then the hon. gentleman pointed out, as usual, that the export market was a big and important market, and he rather seemed to deride the home market. I point out that with the exception of wheat, agricultural products of this country are practically all absorbed by the home market.

Mr. TOTZKE: They have to be under this government.

Mr. MANION: We consume the greater part, about 98 per cent, of our butter, ninety per cent of our bacon, ninety-eight to ninety-nine per cent of our beef—

Mr. TOTZKE: How about cheese?

Mr. MANION: Well, we export a good deal. But we consume in the home market eighty-five to ninety per cent of our agricultural products if wheat is left out. So the home market is rather an important market.

Then he referred to the public debt. He said the Minister of Finance had understated the public debt, and that there should be something like $140,000,000 in round figures added to the total given by the Minister of Finance. I might point out that in his addition of $140,000,000 my hon. friend included $115,000,000 of securities which have been transferred to the Bank of Canada, and which are merely an internal financial arrangement. It is an arrangement whereby instead of the notes that have been issued in the past by the government, securities were transferred to the Bank of Canada to the extent of $115,000,000.

Mr. RALSTON: Will my hon. friend permit me there, because I think that is an important distinction. That $115,000,000 in debentures issued to the Bank of Canada is to cover a liability of the Dominion of Canada which the Bank of Canada took over in the shape of an issue of dominion notes; therefore there is a direct liability to the public of that $115,000,000.

Mr. MANION: Yes, but I made inquiries of the officials of the Department of Finance, and they told me it was largely a bookkeeping entry; that is all it amounts to. However, I am dealing with a good many points and I do not intend to argue this one at length. The hon. gentleman can have one of the following speakers deal with the matter if he so desires.

Mr. RALSTON: Three per cent interest bearing debentures.

Mr. MANION: I did not even hear what the hon. gentleman said.

Mr. RALSTON: If my hon. friend will permit me—

Some hon. MEMBERS: Order.

Mr. RALSTON: I think it is most important, because I know my hon. friend does not want to misrepresent the situation. Those were three per cent interest bearing debentures maturing in 1940, bearing the seal of the Dominion of Canada.

Mr. MANION: Yes, but we should not forget that whatever earnings are made by the Bank of Canada come back to the dominion after a very low rate of interest is paid to the shareholders, so the dominion will get its money back.

Then my hon. friend spoke of a number of assets which he said were treated as non-active assets. I submit that the non-active assets as set out in the budget are practically the same as those that were set out by my hon. friends when they were in power, with this exception, that since we came into power at least $22,000,000 of harbour commission loans have been transferred to the non-active assets, which under the regime of hon. gentlemen opposite were kept under the active assets.

Now just a word in regard to balancing the budget. The hon. gentleman criticized the Minister of Finance very severely because he was not balancing the budget, and he also criticized us because during our regime we have added to the public debt. I should like to ask him or any hon. member who speaks what country has balanced its budget during these trying times. I do not know any country of any importance that has done so. Let us take France, for example, one of the richest countries in the world. The other day I read a statement, which I hold in my hand, made by the Minister of Finance of that country. It is dated at Paris, and according to this statement France has to borrow $1,326,000,000 in order to balance its budget. The statement is as follows:

Paris, January 23.—France must borrow approximately 21,000,000,000 francs (about $1,326,000,000) in 1935 to balance its budget

and prime its economic pump, Louis Germain-Martin, finance minister, told the finance committee to-day. The money so raised would be in addition to the budget income estimated at 46,991,000,000 francs (about $3,101,406,000).

Just in passing I should like to mention that the $3,000,000,000 which France collects in taxes is nearly ten times the amount we collect in Canada, but France's population is not four times the population of Canada. In other words they collect in taxes about twice as much per head as we do in Canada.

Then there is England. In my address on the budget last year I pointed out that England is not balancing its budget, because England is not paying interest on its war debt to the United States, which amounts to nearly $200,000,000. If we did not pay the interest on our war debt we would not find very great difficulty in balancing our budget, because in round figures the annual interest on our war debt amounts to $100,000,000. For fear someone may say that I am incorrectly stating the facts I am going to quote a few words from the budget speech of 1934 of Mr. Neville Chamberlain, Chancellor of the Exchequer in England:

> Neither last year nor the year before did I make any provision for the payment of the war debt to America nor for the receipt of war debts or reparations by ourselves. In the absence of any future development, I propose to follow precisely the same line this year.

Again I should like to point out that the taxes collected in England amount to half a billion dollars more than the taxes collected in France, or about $3,500,000,000, which works out at about $90 per head while our taxes in Canada to-day, even if you include provincial taxes, amount to about $45 per head. So if we in Canada imposed taxes on the same basis as they are imposed in England, instead of having a deficit we would have $300,000,000 or $400,000,000 with which we would not know what to do.

Then let us look at the situation in the United States. This year that country has a deficit of between $4,000,000,000 and $5,000,000,000. I hold in my hand a statement from a financial paper, either the Wall Street Journal or Barron's Weekly, I think the Wall Street Journal, of a few weeks ago showing that they expect a deficit of $4,500,000,000 in the United States. That works out at about forty times our deficit, though their population is only about twelve times the population of Canada. So on a basis of population their deficit is about three times as great as the deficit of the Dominion of Canada.

It is true that we have a deficit quite large enough; if you include everything it amounts to about $117,000,000, and the Minister of Finance admitted an increase in the public debt of $670,000,000 since we came into power, though he claimed that part of that sum should be charged to the late government, and I think he was right. However, we will take it as $670,000,000. That is a very serious addition to the public debt and I am not going to belittle it, but at the same time I would point out that if the war had continued for another year we would have added almost that amount to our public debt, but we would not have closed our doors; we would not have pulled down our blinds and quit the war. I submit again, and with all seriousness, that while our public debt is quite serious enough it would be diminished very quickly with a reasonable revival of world trade, not only Canadian trade but world trade. During that period we would be able to take into this country, as we can take in during normal times, a proper proportion of immigrants, and as we get a larger population our problems will vanish like mists before the rising sun. We have this advantage over European countries, that we have great vacant spaces, and when world trade picks up and the world becomes normal again, we will fill those vacant spaces. So, sir, I submit that this is not a time to paint our picture darker than it really is; it is a time for optimism, not a time for blue ruin.

The hon. gentleman said that by increasing our trade we could not only balance our budget but solve our railway problem. He said we were strangling trade, though I noticed he was not so emphatic in that regard this year as he was last year, doubtless because we have increased the total trade of Canada in the past year, as compared with 1932, by something over $300,000,000. Trade has been strangled throughout the world because of the economic nationalism and the self sufficiency that has been desired by the countries of the world in case of another war. I submit, sir, in all sincerity, and I am sure my hon. friends cannot deny it, that ten million people in the Dominion of Canada are not sufficiently powerful to control world trade. Did the Liberals control it when they were in power? One must ask that question. If you look over our exports of farm products to the United States while the Liberals were in power you will see that they decreased by 75 per cent during their regime, from $160,000,000 in 1921 to just about $40,000,000 in 1930, and in that year the Hawley-Smoot tariff made it practically impossible for us to export agricultural commodities to that country. That prohibitive tariff was brought in while my hon. friends were in power. What action did the Liberals take to force our farm products

into the markets of the United States; what did they do? When we asked them their only only reply was that they did not dare provoke the United States.

In that connection, the hon. member for Shelburne-Yarmouth also quoted Mr. McLeod of the Bank of Nova Scotia, in a manner which made it appear that Mr. McLeod was speaking only of Canada when as a matter of fact Mr. McLeod made it very distinct, even in the quotation given by my hon. friend, that he was speaking of world trade in general rather than Canadian trade in particular. Another particular in which our trade was strangled to a large extent before we came into power was in regard to the export of our wheat to European markets other than Great Britain. Up to 1929 our wheat had free entry into Italy, France and Germany, but during the regime of my hon. friends opposite a duty of 73 cents per bushel was imposed by Italy, 85 cents a bushel by France and 98 cents a bushel by Germany. These were practically prohibitory tariffs against our wheat, but what action was taken by the Liberal party to counteract them? There was no action that anyone knows about. So, sir, when we point out that our total trade has increased by $300,000,000 in the past two years, do we receive any commendation from hon. gentlemen opposite? Is there any satisfaction expressed by them or any pride in their country; No, sir; the only thing they are thinking of is politics and it would not be good politics to admit that conditions are improving. They would rather belittle the accomplishments of their country and leave the congratulations to foreign commentators such as the League of Nations, Roger Babson or Isaac Marcosson, all of whom within the last few months have commended Canada on the improvement of her trade.

I should like to make a few observations in regard to empire trade. I well remember that during the last election campaign, at a time when the right hon. gentleman opposite was Prime Minister, he preceded me—or I followed him, I believe I should say—I followed him out through the west. I was only two days behind him, and in British Columbia, particularly, he pointed out that we were not treating Great Britain fairly, so far as our proposals in regard to trade were concerned, and he indicated, too, that his object was to favour the British Empire. Yet, in spite of the fact that through the empire trade agreements we have raised the trade within the empire we get no word of commendation or of satisfaction from the right hon. gentleman opposite.

[Mr. Manion.]

Let us consider the position in regard to cattle, for example; I shall mention only cattle and lumber, although there are other commodities which could be mentioned. In 1929, the year before the election, no cattle were shipped from Canada to Great Britain. Yet, in 1934, last year, we shipped just under 54,000 head. Then, in regard to lumber may I say that I have before me a report from The British Columbia Lumberman, the official journal of the British Columbia lumber industry. This report is dated January, 1935, only a couple of months ago and from it I intend to quote only one sentence. They say:

> The exports of British Columbia lumber in 1934 easily beat all previous years with a total of 860,000,000 (feet board measure). Note how gains in empire trade have more than compensated for the loss of the United States waterborne trade. More lumber was exported to the United Kingdom alone last year than was ever shipped by water to the United States of America in any twelve monthly period.

That is something of which all of us may be proud; that is something over which we may express satisfaction, and it is all due to the empire trade agreements. However, hon. members opposite voted against those agreements, and naturally they do not dare say a word in their favour. Almost solidly—with the exception of the hon. member for Hants-Kings (Mr. Ilsley)—they voted against these trade agreements. I notice now, however, that they are shifting their ground. I notice that not long ago at a conference of Liberal chieftains from all parts of the country which met in the city of Ottawa in December, the right hon. gentleman made the following statement, as reported by the Canadian Press:

> If a Liberal government came into power the trade relations of Canada to the other parts of the empire would be the subject of discussion and negotiation.... The Liberal leader made it clear that ruthless scrapping of empire agreements was not planned ... nothing would be done without discussion and negotiation between the interested parties.

Then, when he came back from that trip to England, a trip which he made in company with the hon. member for Quebec East (Mr. Lapointe), he made the statement that he had met nobody over there who favoured the empire trade agreements. My personal view is that he was in bad company. He probably stayed with our friends the editors and writers of the Manchester Guardian, for example. I hold in my hand the statements of two very outstanding men he might very easily have met over there, both of whom have recently expressed the view that they think a great deal, from their standpoint, of

the empire trade agreements. The first person to whom I refer is the Earl of Derby who, speaking at a great banquet at the Mansion House, said:

I cannot avoid politics and you must forgive me. We have been aided in the struggle to recovery by the Ottawa agreements which have forged a new economic link between the component parts of the empire, the full benefit of which we can hardly expect to see in the course of two years.

Then I have another quotation worthy of being placed on Hansard. This is a statement by Neville Chamberlain, Chancellor of the Exchequer. Dated at London, January 19, Neville Chamberlain said:

I believe that historians will look upon the Ottawa agreements as a great landmark in the history of the empire. Up to the present the benefits to the dominion are more apparent than those to the mother country, yet substantial increases are visible in empire exports, and to arrive at the true value it is necessary to take a longer view, looking to the time when the populations of the dominions are many times what they are to-day. Preferences will then go far to compensate Britain's loss of foreign markets.

And then he added the significant sentences:

The government hopes to carry the notion of imperial unity still further in the coming year—they are planning in anticipation of a resumption of emigration for the settlement of new areas.

Those, sir, are some observations which show the feelings among sane Britishers in regard to the empire trade agreements. Therefore it is no wonder that the Liberal chieftains and hon. members who follow them are shifting their ground in their public remarks regarding those agreements. May I point out that in the coming election the people of Canada must ask themselves the serious question: "Is it advisable to elect a party which by vote opposed and by speeches derided the empire trade agreements?"

Then the hon. member for Shelburne-Yarmouth spoke about the balance of trade, and again, in a general way, derided our ideas of the improvements which have been made, and the fact that the balance was favourable rather than unfavourable. If the hon. gentleman was not very clever I would think that in making such an attempt he was stupid, because I do not know how any debtor country can pay its debts until it exports more than it imports, or is a borrower of money. Borrowing in outside countries is not popular, at the present time. We have improved the balance of trade to the extent of $250,000,000. In the last year hon. members opposite were in power the adverse balance against us amounted to $100,000,000. In other words we imported into Canada $100,000,000 more of goods than we exported from Canada. On the other hand, in the past year we exported $150,000,000 more than we imported. This constitutes a change in our favour amounting to $250,000,000.

Canada is a debtor nation and she must export more than she imports. On the other hand, England is a creditor nation and must import more than she exports. Upon consulting the figures yesterday I found that England's imports are greater than her exports by £300,000,000 or about $1,500,000,000. In past years the difference has been even greater than that. Therefore—

Mr. HANBURY: They are much greater every year, but they have an invisible balance.

Mr. MANION: Yes, but our balance, including the invisible, is very much against us, and therefore we must export. May I say, further, that the section of the country represented by the hon. member who has just spoken is one which has benefited greatly by the empire trade agreements.

The hon. member for Shelburne-Yarmouth spent some time in a discussion of the wheat policy of the present government. May I say there have been two wheat policies, one being a wheat bonus by which the government of Canada gave to the western farmers, in round figures, $13,000,000, in that year when wheat was exceptionally low in price. At least there should be some gratitude from western people for that action taken by the government. I believe the action was just and fair. The second policy concerning wheat was that of the stabilization of prices. This point, of course, is debatable; I do not question that. Certainly, however, whether or not it is debatable or whether we were wise or unwise in our action, no person can say that our action did not favour the farmers of western Canada. The ultimate result has been—and I personally believe the ultimate result will be reasonably satisfactory to the whole of Canada—the ultimate result has been that the western prairie provinces in a time of great need and great crisis have profited very much by the action of the present government. I shall quote in a few moments to prove my statement.

I do wish to point out before referring to the quotation that the carry-over in 1929, the year before hon. members opposite left office, was 127,000,000 bushels. That is more than half of the carry-over at the present time, taking for granted that the figures appearing in the press are correct. From July, 1925 to

July, 1930 the three countries I mentioned previously, namely Italy, France and Germany imported on an average of 192,000,000 bushels yearly, partly from this country and partly from the rest of the world. May I repeat that they imported 192,000,000 bushels. But last year they imported only 20,000,000 bushels. May I repeat: They imported just 20,000,000 bushels. That condition arose because of the tariffs that were put up in June, 1930, and earlier before hon. members opposite went out of power.

Mr. McPHEE: And increased in 1932.

Mr. MANION: Yes, and increased, but when you get them up to 75 cents or—

Mr. McPHEE: In 1932.

Mr. MANION: Yes, but when you get them up to 75 cents and 98 cents the harm is done. You could quadruple the amount, if you liked; it would not matter. When you get up to 75 cents a bushel it does not matter how much higher you go.

John I. McFarland whose actions have been criticized by hon. members opposite made a statement in Moose Jaw only a few days ago which I shall quote to the house. On February 14, he spoke in the city of Moose Jaw, and at page 9 of the pamphlet I hold in my hand he is reported to have said:

> It is therefore evident from whatever angle we approach the question of exports, our carry-over will be well under 100,000,000 on August 1 next.

And later on the words are added:

> With a prospective carry-over down to around 80,000,000 bushels.

Of course, he is not infallible, but we hope he is correct. And if his statement is correct, Canada will be in a splendid position. On page 10 he says:

> No one will ever be able to estimate the great benefits the producer and the people in general have received as a result of the government's support of the price structure on the last five crops of Canada.

And further on:

> I want to say to you without prejudice ... that in the absence of government support it is clear to me there would have been such chaos that I am sure I would not care to have been a resident in these parts of the world.

I notice that in the last few months some of my hon. friends from the west, on the estimates and on the relief act I think, were demanding a good deal of information about the wheat situation. I should like to remind them that some of them at least were members of the banking and commerce committee last year and they requested similar information there. Mr. McFarland appeared before that committee. I was not a member of it, but I happened to wander in there one day and I heard Mr. John I. McFarland offer to give them all the information they wanted.

Mr. DUFF: You can't get away with that. Mr. Speaker—

Mr. ERNST: That is correct.

Mr. DUFF: That is not correct. I was examining Mr. John I. McFarland, and the majority of the committee would not allow him to answer my questions even with regard to the quantity of the wheat he held or the guarantee which the government had given.

Mr. MANION: If my hon. friend had waited till I finished my sentence he need not have interrupted at all. I pointed out, Mr. Speaker, that Mr. McFarland was willing to give them any information they wanted, but someone in the committee objected—

Mr. DUFF: The Conservative members on the committee and the chairman.

Mr. MANION: And some of the Liberal members too. The question was put to a vote and the vote was 33 to 9 against allowing Mr. McFarland to answer. In that 33 were included a lot of Liberal members of the committee, although not my hon. friend. The committee voted 33 to 9 against Mr. McFarland giving the information to the committee. Those are the official figures of the vote, and I have the report of the banking and commerce committee here if anybody questions it. That is just another instance, Mr. Speaker, of the Liberal party demanding one thing and voting in the other direction. They have been doing that all this session, criticizing every piece of legislation, and voting for it when the time for a vote comes. In this case they demanded the information but when it came to a vote in the banking and commerce committee—

Mr. DUFF: Every Conservative member voted against it.

Mr. MANION: And rightly, I think, and Liberal members of the committee voted with them. I am pointing out that they should not take the attitude in the banking and commerce committee that the information should not be given and then come here and demand the information which they could have got in the committee had they voted the other way.

Mr. ERNST: Every western Liberal voted against the information being given.

Mr. MANION: My hon. friend from Queens-Lunenburg (Mr. Ernst) says that every western Liberal voted against the information being given.

Mr. MACKENZIE (Vancouver): I did not.

Mr. MANION: I well remember the hon. member for Willow Bunch (Mr. Donnelly) voting for the information. I noticed it because, so far as I remember, he was the only one. I was speaking of western Liberals from the prairies, not from British Columbia, and the only one of them I noticed was the hon. member for Willow Bunch, and there were a few other Liberals from the prairies sitting on that committee.

Whatever the results of the wheat price stabilization that we have carried on, there is no doubt that the prairie farmers and the people on the prairies owe very much to the government for the courage they displayed in going into the wheat market, and they owe it in the increased price which they received for their wheat. Whatever that price may have been, if they had been forced to dump their wheat on the markets of the world, undoubtedly the price would have been lower in Canada, and, as well, I think they owe a great deal of gratitude to the government for the $100,000,000 which has been given in relief or lent to the prairie provinces in the last four years.

Mr. DONNELLY: Why throw that up?

Mr. MANION: I will throw it up, if my hon. friend likes that expression. Does he think we should never mention it at all? Perhaps $100,000,000 is nothing to the hon. gentleman, but I consider that it is not a bad figure with which to help the three prairie provinces, and if they show any gratitude whatsoever to the government of this country they will vote solidly behind this government when the time comes.

Now I wish to deal briefly with the railway question which my hon. friend from Shelburne-Yarmouth dealt with at length in his speech yesterday.

Mr. DUFF: Forty-six minutes, Mr. Speaker.

Mr. MANION: What does the hon. gentleman say? The hon. gentleman is wrong because I can go on till six o'clock if I like. I do not intend to, but I could.

The hon. member for Shelburne-Yarmouth spoke of the railway question. Now if there is any group in this country which should hesitate to talk about the railway question it is the group directly opposite, because they handed over to this government a railway mess the like of which Canada never had before, although we have had some messes. The hon. member for Shelburne-Yarmouth again brought up that old chestnut that he pulls off every time he speaks, that the Liberal party during their regime saved the people of this country on the national debt $257,000,000. But he always forgets the other half of the story; I pointed it out over and over again and I am going to point it out again to-day because it should be known. The other half, or the other three-quarters of the story is that while the Liberal government were saving on the national debt, they were adding to the railway debt by $461,000,000 during the time they were in power. In other words, the net addition to the public debt for which they were directly and indirectly responsible is well over $200,000,000, and so it is no wonder that I jocularly added Ananias to the other biblical characters I mentioned in describing the hon. gentleman's speech. I have in my hand a sheet showing the interest payments due by the Canadian National Railways from the years of their incorporation down to the present time, and I intend to refer briefly merely to the time when my hon. friends opposite were in power.

In 1921 the interest owing to the public was $35,000,000 in round figures. When hon. gentlemen went out of power in 1930 the interest owing to the public was exactly $51,000,000. In the following year, due to the expenditures they made, it was $55,000,000, nearly $56,000,000. So between the time they came into power and the time they went out of power the interest owing to the bondholders of the Canadian National Railways was increased by over $20,000,000 for which hon. gentlemen opposite were entirely responsible due to the heavy capital expenditures which they made. The funded debt was increased by $461,000,000 and the interest charges by over $20,000,000.

But that is not all, because there was the government debt as well. The interest owing to the government in 1921 was $20,000,000, and that had increased in the year hon. gentlemen opposite went out of power to $32,000,000. If you add the two increases together it means increased interest charges during the regime of hon. gentlemen opposite of $32,000,000. It is true that so far as the interest due to the government of $12,000,000 is concerned it was not paid, and probably never will be, but those figures show the great increases which my hon. friends opposite made in capital expenditures.

There was another boast which the hon. member for Shelburne-Yarmouth brought up

last year and again this year about the national railways. He said that during the years the Liberals were in power the railways had earned an average of $24,000,000 above operating expenses. I will admit that that is correct. But my hon. friend always forgets the other half of that story as well, and that is that though the railways earned an average of $24,000,000 above operating expenses they were still down, at the end of the nine years my hon. friends opposite were in power, $140,000,000 on interest account to the bondholders. In other words, in those nine years the railways were short of paying interest by $140,000,000. I mention this because the facts should be kept straight. I do not think that half truths of that sort should go out to confuse the people of this country.

My hon. friend used a phrase that has been used very often in this house and elsewhere. He said that the Canadian National Railways were a "conglomeration of junk railways" when taken over.

Mr. HOWARD: Hear, hear.

Mr. MANION: And my hon. friend from Sherbrooke says hear, hear.

Mr. HOWARD: When taken over.

Mr. MANION: I will put up against the hon. gentlemen a gentleman whom they praised very highly and whom they boasted of having brought to this country, and that is Sir Henry Thornton. He was appointed in October, 1922, and after he had made an inspection with the boards of directors of the Canadian National Railways of the roads he said in his report of 1923:

> On behalf of the board I would like to state that after inspection—

Get that—after inspection:

> —of the main arteries of the system we find that the three groups of lines, until recently the Canadian National Railways, entered the consolidation in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by management.
>
> On some of the older sections there are still improvements that should be undertaken but in the main the lines are modern in character and were built or have been brought up to standards which are ahead of actual traffic requirements, except under stress of seasonal movements.

I will leave that statement without discussing it any further. My hon. friend quoted me as having made this statement at Ingersoll—that the mess which this country got into in the early years of this century, in consequence of the building of too many railways—two other transcontinental lines where one would have sufficed—must be ascribed to both the old parties; he said that I declared at Ingersoll that probably the old parties deserved blame to the extent of fifty-fifty. I do not withdraw that statement. I think that probably the whole populace of Canada in the early days of the century were insanely optimistic, and though the building of railways on this scale really started under the Liberals—in 1904 when the Transcontinental was under discussion, and again in 1908 when there was further talk about the other transcontinental—I say that everyone must share in the responsibility. I accept the statement which I am supposed to have made at Ingersoll; I do not remember having made it, but I neither withdraw nor deny it. At the moment however I am not dealing with the past history of the railway problem in Canada. What I complain about is this, that during the time when my hon. friends opposite had these railways in trust for the people of Canada, expenditures were made which I submit should not have been undertaken, and that is what I criticize. In the pre-election year, 1929, I pointed out that they had spent money, or perhaps had forced the Canadian National Railways to spend money to a scandalous degree. They either permitted or forced the Canadian National to spend money on this scale—I do not know which term to use, though I am sure that no sane railway men would have allowed themselves willingly to spend as was done in 1929. At any rate, my hon. friends, if they did not force the railways, allowed the management of the Canadian National Railway System in 1929, one year before the election, to add to the debt of this country the huge sum of anywhere from $200,000,000 to $250,000,000 to be spent on hotels, terminals, passenger ships, which are rotting at the docks, branch lines and purchases of all kinds of old lines which have never paid their way. They added $10,000,000 a year to the annual interest payments of the Canadian National Railways. I do not suggest that all this sum, between $200,000,000 and $250,000,000, was wasted, but I do contend that very much of it was. I say that most of it was of no use to the Canadian National Railways, and it did not serve any purpose so far as the employees themselves were concerned. It merely added annual charges to the Canadian National Railways, and in respect of a branch of service which has always been losing money—that is, the passenger services. The passenger services of the Canadian National Railways lost, in the year 1926, the huge sum, on operating, of $4,000,000, and every year after that until 1931, a period of five years, the losses have

mounted up in gradual progression until they reached in 1931 the sum of $24,000,000 on account of operating. And yet it was upon these passenger services—steamships, Montreal terminus, hotels, radio and things of that sort—it was upon these services, a losing branch of the system, that these huge sums were spent. Then I will refer to one sentence in the report of the royal commission on railways. They contrasted the construction costs of branch lines built by the Canadian Pacific Railway and by the Canadian National Railways in the years between 1923 and 1931 inclusive, because those were the years of new management and of consolidation of the railways, and they found that the Canadian National had a total excess cost of over $30,000,000 on 1,895 miles of construction. That was during my hon. friends' regime, and what I submit to you, Mr. Speaker, is this. They were the trustees of the Canadian people with respect to these railways; they were in charge of the system for the people of Canada, and they should have maintained a greater control over the management than they did. They should have insisted upon a board of directors who would not be merely rubber stamps; they should have seen to it that the management prevented such a condition of affairs from developing.

Well, we cleaned up that mess, and I say now to the credit of the Canadian National Railways that we have to-day an efficient and economically managed railway system. Some of the figures in regard to gross earnings will prove this statement, because if we can get back to $250,000,000—and in the last ten or fifteen years we have had around $250,000,000 gross earnings in about half of them—the railways would be very close to the position where they would pay interest on their debt to the public. At any rate, the system would be so close to that position that the people of Canada could easily absorb the balance and take care of it as an investment on behalf of the development of the country generally.

But in spite of the results which we have obtained in economical and efficient management of the Canadian National Railways, there are still insidious rumours abroad, a whispering compaign against this government, to the effect that we are out for amalgamation. There are stories of unfair treatment of the Canadian National Railways on our part; there are tales of our favouring the Canadian Pacific Railway. It is a whispering campaign of the most vicious sort. I brand it to-day as a whispering campaign of the most vicious sort, and I will give proof for that statement, because these rumours reach me as Minister of Railways. They come from all parts of the country. For example, on March 22, five days ago, a Colonel Streight, a Liberal candidate in one of the Toronto constituencies, is reported as follows in the Toronto Star:

> Score rail merger at Liberal meet.
>
> If Bennett plans allowed 75,000 men will be jobless.
>
> Denouncing any merger of Canada's railways, Colonel J. E. L. Streight, Liberal standard-bearer in West York federal riding, last night promised the Humbercrest and South Runnymede Liberal Association a Liberal government would not permit such an amalgamation.
>
> Plans are already being made by the Bennett government to complete the merger,—

May I say that this is just a plain, ordinary, everyday falsehood.

> —if returned to power, he told his audience, largely composed of railwaymen, and declared if such a move is permitted 75,000 railroad workers will be thrown out of employment. The Canadian Pacific Railway has already been advanced $60,000,000 without interest, he said.

The Canadian Pacific Railway has not been advanced any part of the $60,000,000 by this government. The government guaranteed it, but that is a small matter—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Well, it is a small matter compared to these vicious charges based on falsehood. This gentleman may be straight in name but he is crooked in his political methods. As the Minister of Public Works points out, we have good security for the guarantee of the $60,000,000.

With respect to these rumours which are afloat against this government, most unfair and vicious rumours of all kinds, let me say that there has been no thought on the part of this government of bringing about amalgamation of the two railways. No one on this side of the house, either in the front lines or in the rear, so far as I know, has come out for the amalgamation of the Canadian National Railways and the Canadian Pacific Railway. My right hon. leader (Mr. Bennett) in Winnipeg used a phrase which has since been quoted and which he has never gone back on—Competition ever, amalgamation never. This government is not favourable to amalgamation. In the Canadian National-Canadian Pacific railway bill of 1933 we incorporated clause 27 which forbids amalgamation. Yet certain people—I do not say my hon. friends opposite, because they are too honourable, but some of their friends—continue to spread rumours and tales of this kind, vicious stories not based on the truth. The only man in this house who has come out openly for amalgamation is the hon.

member for North Waterloo (Mr. Euler). He called it unification, but that to my mind is another name for the same thing.

I repeat here, what I said at Brockville and at Smiths Falls, that under present conditions there is no solution for the Canadian railway problem by means of amalgamation. The only possible solution for the railway situation in this country is a revival of world business and world trade, and we have no control over that. I repeat, a country with a population of ten millions cannot control world trade, and to my mind this country cannot continue paying its debts without a revival in world business and world trade. Personally I think world business and trade are going to continue on the upward trend as they have been doing for more than a year past. All the railways on this continent have been hit by the depression. Many railways in the United States have gone into bankruptcy and more of them would have done so if they had not been helped by the United States government. But I repeat there is no cure for the railway question if by cure or solution you mean the payment of all the interest owing to the public through any such idea as unification or amalgamation, and I would point out that a united railway made up of the Canadian Pacific and the Canadian National would make a huge monopoly in this country with, say in round figures, 175,000 employees who with their friends and relations would have a voting power of something like 300,000 people, in addition to which there would be the power of a huge system such as that in its purchases and other methods of getting support. I have never said this before, but I say it to-day: To my mind such a huge monopoly as that would be a menace to the political and economic life of this nation; that is my feeling about the matter. It would also bring about political and public pressure so severe, as spoken of in the Duff report, that probably no government could live under it. I do not intend to deal further to-day with the question of amalgamation, but I want it clearly understood that this government is not for amalgamation, has never come out for it, and anybody who makes statements to that effect wilfully tells what is not true. I have tried to make that as clear as I can.

Mr. SANDERSON: When the minister makes such a statement about amalgamation, is he speaking for the government?

Mr. MANION: Yes, of course. I do not make any official statements in a case like this without consideration; I am naturally speaking for the government. In fact I used the term "this government."

Mr. SANDERSON: If the minister will permit me, he is speaking for the government and the Prime Minister?

Mr. MANION: Certainly; the government includes the Prime Minister, and I am speaking for the government and the Prime Minister if the hon. member wants them enumerated separately.

Another matter in regard to the railways which the hon. member for Shelburne-Yarmouth mentioned, was the question of arbitral tribunals. He was most unfair in his statement; he said that there would have been arbitral tribunals set up if we had appointed a chairman of the board of railway commissioners. I make the statement that neither President Beatty of the Canadian Pacific nor Chairman Fullerton of the Canadian National nor anybody else representing them has directly or indirectly ever asked us for an arbitral tribunal. We could appoint a chairman to the board of railway commissioners in just about fifteen minutes, and I say now that we shall do so if either one of them wants an arbitral tribunal. I hope that is clear enough also.

That is another slander that has been going around in some of the Liberal press and repeated by some of the Liberal members. The hon. member for Shelburne-Yarmouth unworthily took it up yesterday and cast it across the floor of the house. There has been no request by either railway for an arbitral tribunal, and the law is that the officers of one or the other must ask for an arbitral tribunal. We have been given no indication direct or indirect that they want one, and I say quite frankly, in my opinion neither one of them does. I do not say that one of them should not, but neither one of them has hinted that it wants an arbitral tribunal. When they want one, all they have to do is to ask for it and they will get it quickly.

I have practically finished with the speech of the hon. member for Shelburne-Yarmouth, but I wish to spend the remaining portion of my speech—and I hope I am getting toward the end of it, but I have had quite a few interruptions which have delayed me—in reviewing the record of this government. It is so well worth spending time on that I want to tell the country something about it. This government went through four years of economic storm such as no previous government of this country ever went through, and I may add that our accomplishments did

not wait, as has been implied by some of my hon. friends in their speeches, on the radio addresses of the Prime Minister in January. For five years courageous and aggressive administration has been carried on in this dominion by this government, and I intend to tabulate in just a sentence or two for each, the couple of dozen outstanding achievements of this government in the last five years:

1. We spent about $175,000,000 for relief, public works, assisting the provinces, the municipalities, the trans-Canada highway and the relief camps.

2. We looked after 300,000 people and we are now looking after something like 150,000 in the drought areas in Saskatchewan. Further, an investigation has been instituted by the Department of Agriculture into that whole question.

Mr. BOUCHARD: It takes more money than brains.

Mr. MANION: Well, I am quite sure the hon. gentleman will have to have a lot of money because he has not much of the other. I have sat in the house with the hon. gentleman for quite a few years. He is a professor in one of the Quebec colleges and I have never heard him do more than utter some little insignificant interjections in this house. He seems to have a habit of interjecting rather insulting little remarks when I am on my feet and I just thought the next time he did so, I would tell him about it.

3. We preserved the credit of the dominion, the provinces and the railways. There is not one of the four western provinces that to-day would not have had to repudiate its debts, had it not been for this dominion government.

4. We put into effect the empire trade agreements with which I have dealt, and we also effected trade agreements with France, Poland, Germany, Austria and Brazil.

5. Then there was the wheat bonus and stabilization.

6. The establishment of the central bank.

Mr. MACKENZIE (Vancouver): Oh, oh!

Mr. MANION: I do not know what the hon. member for Vancouver Centre is laughing at. Foolish people may laugh at these things, but they cannot laugh them away. These are actual accomplishments, not something just put in books or in platforms. We established a central bank which my hon. friends opposite say they were always in favour of.

Mr. MACKENZIE (Vancouver): Not that kind.

Mr. MANION: I continue:

7. We had passed the Natural Products Marketing Act, and it is in effect.

8. We put on the statute books the Farmers' Creditors Arrangement Act which is saving and will save thousands of the farmers of this country from foreclosures of mortgages.

9. We amended the Farm Loan Act and improved it.

10. We lowered the interest rates in this country. In all the nine years my hon. friends opposite were in power, interest rates remained the same.

Some hon. MEMBERS: They went up.

Mr. MANION: All right; some hon. members say that the rates went up. I will take their word for that; I do not remember about it. At any rate interest rates did not go down and we have brought them down. The interest rate in savings banks was lowered to two per cent and other interest rates followed suit.

11. We established a Canadian tourist bureau which every member in the house supported and praised.

Then there were the five pieces of legislation this year:

12. Unemployment insurance.

13. Eight hour day.

14. Six day week.

15. Minimum wage.

16. The economic council.

Out of twenty-four achievements by this government which I am mentioning here, there are fifteen which are all in accordance with progress and reform.

17. There is the setting up of the price spreads commission and there will be legislation submitted to the house when that commission makes its report.

18. Then there were loan conversions which the minister mentioned in the house of $1,100,000,000, bringing about a saving to the dominion by way of interest amounting to about $14,500,000.

19. There was a reversal of trade balances from $100,000,000 against us to $150,000,000 in our favour.

Finally there were the following in this budget:

20. An increase in the income tax on unearned incomes, that is on incomes from dividends and so forth. That is a redistribution of wealth.

21. There was the mines tax which was improved and raised, not lowered as has been suggested, and incidentally mining production is at a greater height than ever before.

22. A tax on gifts of any proportion has been imposed. That is another redistribution

of wealth. These last three redistribute wealth and impose taxes on those best able to bear them.

Veritably this is a poor man's budget, one which taxes those who have and eliminates so far as possible in a time like this the taxes on the poor.

23. Then we cleaned up the railway mess with which question I have dealt sufficiently this afternoon.

24. Lastly we have under advisement the United States negotiation regarding a trade treaty.

Mr. HANBURY: "Advisement" is good.

Mr. MANION: It is a good deal more than the hon. gentleman did anyway. In that regard by the way, I have something here to show the type of campaign that is being carried on. I do not know whether the hon. member for Frontenac-Addington (Mr. Campbell) is in his seat, but on March 4 he made a speech regarding reciprocity and it is reported in the Toronto Globe of the same day. The report says:

Mr. Campbell saw marked evidence on the part of the Bennett government in its reciprocity proposals with the United States.

I do not understand that sentence.

During his by-election campaign last summer Mr. Campbell said he was taken severely to task by Hon. Doctor Manion for stating that he was in favour of reciprocal relations with the United States.

And he goes on:

Hon. H. H. Stevens, he said, had made a second trip into the riding in order to advise the electors not to support Campbell because he favoured reciprocity.

Well, I cannot speak for Mr. Stevens—he can speak for himself—at the same time I am sure he took no such attitude, and I know I did not. I never opposed reciprocity, even in 1911, so when the hon. gentleman says that I talked in his riding against reciprocity he just states what is not true. I do not accuse him of saying it intentionally, but he said it, and I say it is not true.

Mr. CAMPBELL: I think the hon. gentleman in his excitement—

Mr. MANION: Let the hon. gentleman ask a question or make a statement, not a speech.

Mr. CAMPBELL: The hon. gentleman and I met in joint debate at the nomination meeting in the by-election—

Some hon. MEMBERS: Order.

Mr. MANION: Let the hon. gentleman contradict me if he likes; at present I have a few minutes more. I make the statement here and now that I did not in any shape or form criticize him or anyone else for attempting to enter into reciprocity arrangements with the United States. I say further that in that same joint meeting to which he refers either he or the hon. member for Northumberland, Ontario, (Mr. Fraser), I forget which, made this statement on the platform, that President Roosevelt of the United States had said publicly that he would not deal with this government in regard to trade matters. I do not remember which one of them it was, but one of them said it, and he can deal with it when his turn comes. That is the type of campaign that is carried on against this government, based upon vilification, innuendo, abuse of the Prime Minister, a whispering campaign of the ugliest kind. I intend to correct it when the correction should be made.

I have dealt with our record to some extent. I say that we have given five years of progress and reform such as Canada has never had in its history. One hon. member of the third party in the southeast corner of this house met me at the Royal York hotel in Toronto, when I was up there speaking for my hon. friend the member for Toronto East (Mr. Church) in his by-election campaign. This member said: "Manion, your government has given in the last session more progressive legislation than was ever brought in by any government in this country since confederation"

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I do not get the joke. The joke is on hon. gentlemen opposite, but they are getting into a habit, when they cannot talk of something unconstitutional, of laughing uproariously—the loud laugh that speaks the vacant mind, I suppose. Not long ago the hon. member for Shelburne-Yarmouth called this progressive legislation tub-thumping, when the Prime Minister was speaking about improvement of the capitalistic system.

The Liberals have been opposed to everything that we have brought in of a progressive nature; they have either ridiculed it or opposed it as unconstitutional. Yet this session, although they ridicule and oppose it in argument, they always vote for it. The Liberal party in this house have been and are the party of reaction, the party of laissez-faire, the party of stand-patism, if they have any policy at all. No one has been able to see any sign of a policy as far as we can learn, no one has stated a policy for them except when my hon. and eloquent friend the member for Vancouver Centre

(Mr. Mackenzie) gets up and waves his arms and tells us a few things. They claim they supported every one of these pieces of legislation when they were out of power; they put them in a book or in the 1919 platform. But no one reads the book, and the platform is forgotten even by them. They have had two good chances in recent months to state what they stand for, but no one knows it. I challenge them to tell the people what they stand for, if they stand for anything but reaction.

Mr. MACKENZIE (Vancouver): They told it in the by-elections.

Mr. MANION: They held a large conference last November, and all we got was a speech on peace from the leader of the opposition. The other evening they gave the right hon. leader of the opposition a very fine dinner, and I congratulate both him and them on it. After all, the right hon. gentleman has given many years of service to his country, and it is only right that democracy should honour its leaders. I often disagree with the right hon. gentleman both in the house and out, but I respect him because I believe he sincerely endeavours to do what he believes best for his country; and I may add that it is the sincerest wish of my heart that his health may continue good so that he may continue for many years as leader of the opposition. He is sure of four more years anyway; I can vouch for that.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): Give us a chance.

Mr. MANION: You will get a chance, and when you get it you will be pretty sick. They have offered no policy and as far as we know they have no policy except do-nothing. The people of this country know that they have a do-nothing policy, and when the time comes they will vote accordingly. We have been going through a world crisis for four years but apparently the Liberals in this house do not know it. In 1930 before they went out of office we spoke to them about the unemployment which was beginning then—and has increased since, I will say it so that they do not have to interject—due to world conditions, but their leaders took the attitude that there was no unemployment in this country. Then when the world crisis took place between 1929 and 1933 they have never admitted there was such a crisis. Now, when the world is going ahead in a progressive manner as it never did before, they do not see it.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I said the world, I did not say Canada particularly—the whole world including Canada. We have suffered two great crises—probably I should say the world—in the last fifteen years; from 1914 to 1918, the war, and, rather strangely, four years again, the economic crisis, the depression, from 1929 to 1933. The latter has been almost as tragic to the world in general as was the war, except in our case we lost 60,000 of our young men who in the springtime of youth gave their lives for their country. They form a lost generation. Men from different parts of the country who would have been prominent in this house are among that lost generation, men who would probably be here instead of some of us had they come back. They were leaders at the front; they would have been leaders here. I have never forgotten the beautiful lines on the monument to the fallen in Glengarry county, which to my mind are among the finest words ever written about those who gave their lives in the war:

> They shall not grow old as we who are left grow old;
> Age shall not weary them nor the years condemn—

Those are the first two lines; I think I could remember the rest, but in any event they are a noble expression of our feelings. Yet I sometimes think that some of the men who stayed over there escaped tragedy which they might have encountered had they come back. But, sir, I want to point out that the tragedy from 1929 to 1933, was also a terrible trial to the young men throughout the world. I also want to point out that during the war there was a Liberal opposition in this house. My hon. friend from Quebec East (Mr. Lapointe) and a number of hon. gentlemen opposite were members of the opposition at that time. But that Liberal opposition cooperated and assisted in every way. I was in the house in 1918, the last year of the war, and during that time the opposition assisted in every possible way. I do not understand why that is not the case to-day with hon. gentlemen like the hon. member for Shelburne-Yarmouth, who had a magnificent record at the front, and I pay him all homage for that splendid record. At the front it was cooperation, assistance, playing the game and general leadership that were needed, and the hon. member for Shelburne-Yarmouth exhibited all these to a marked degree together with my hon. friend from Quebec South (Mr. Power) and a number of other hon. members.

Mr. POWER: What was it I did?

Mr. MANION: My hon. friend may deny it if he cares to do so, but I should be afraid to deny it. However, these hon. gentlemen showed a willingness to cooperate and play the game over there, and I do not understand why they do not show a greater desire to play the game in times like these with a government that has had its own problems in a crisis such as that through which we have passed. I suppose it was too much to expect that the Liberal party would step right in and assist us to pilot the ship of state through the turbulent waters of the last few years, but I do submit that they ought to stop endeavouring to destroy the steering gear or blow holes in the bottom of the ship. That is what they have been doing. In some countries there is a crime called sabotage; workmen endeavour to destroy or cripple the plant and machinery of the institution in which they are employed. In Russia they shoot people for that sort of thing. But for five years in this house the Liberal party have been carrying on political sabotage against their own country. When they, and the rest of us, are old and grey, sir, if we are living, and a new generation has grown up which does not remember all the details of these tragic times, and when some of these young people ask my hon. friends opposite what they did in this parliament to help out during this economic crisis, if they tell the truth there is only one statement they can make, and that is to say, "We sat on the side lines and squawked."

Sir, Canada is on the march to better things. It will never be the same again, irrespective of the reactionary attitude of my hon. friends opposite or of any attitude on our part. Canada and the world are on the march. There is a great progressive movement under way but unfortunately our hon. friends opposite do not even recognize it. I admit with all humility that our program has been far from perfect, but it has been a program of progress and reform. Capitalism needs correction; no one realizes that more than I do. Those capitalists who do not realize it are short sighted; indeed they are blind. Our legislation, such as it is and with all its imperfections—and I admit them—is for the purpose of correcting the evils of capitalism. There are business men, I admit, who take the attitude that we should not be bringing in such legislation. Some hon. members here have defended that attitude of the business men, and I do not question their right to do so. But I think they are also blind, sir, because to my mind if those of us who believe in democracy and those of us who believe in the capitalist system, as I do, do not correct these evils from within, then the day will come when these evils will be corrected in an appalling manner from without. Only one country has given up capitalism; that is Russia, and to my mind Russia has been a failure. Last year that country allowed five or six million people to starve, and over there if a man has an opinion of his own it is only too common for him to be sent off to Siberia or put up against a wall and shot. Therefore I submit that we must live under democratic capitalism if we are to go ahead. Capitalism is far from perfect, but it deserves much credit. It has been going on now for 150 or 200 years and during that time the population of the world, perhaps particularly in industrial countries, has been increasing by leaps and bounds. By a large, and in a general way, that population has been getting more comfort, more advantages in regard to health, better education and greater luxury than they would have known otherwise, and indeed than many of the medieval monarchs knew. It is true that some have been in want, but I do not think even those who have been in want—certainly in our own country where they have not been allowed to starve—would have willingly given up the adventure of life which they have experienced. They have had that adventure, and I do not think any individual would prefer to have missed the adventure, even though they have been through the trying times through which they have passed. I agree with Shakespeare, as I think we all do, when he says:

> The weariest and most loathed worldly life
> That age, ache, penury and imprisonment
> Can lay on nature is a paradise
> To what we fear of death.

So I say that at any rate, even those who have been in want have had the adventure of life. When days brighten, when business comes back throughout the world as it is coming back, once more they will get their chance. Mankind is groping for better things. Those of us who call ourselves leaders or are attempting to lead, my hon. friends opposite and those on this side as well, are groping for some remedy for the conditions with which we have been faced. We realize that there must be a fairer distribution of the wealth of the world. We realize that the problem of production has been solved, but that the fruits of that production must be more evenly distributed. We have not succeeded as yet. No country in the world—we are no exception—has succeeded in solving that problem of distribution. The young men of our country, as of other countries, must be given a chance to work; they must have an

opportunity to attain their ambitions. They must be given, in simple language, a fair deal.

I say, sir, that the policies of this government and the statutes introduced by this government, imperfect though they may be, all are in line with that idea. The Conservative party in Canada is leading the Canadian people forward and upward in a progressive way, whereas hon. gentlemen opposite have been merely floating on the tide of discontent resulting from the unrest throughout the world, hoping to float back into power on that tide. But the people of this country are not blind; they see through the attitude of hon. gentlemen opposite, and when the time comes the people will treat them accordingly. Sir, Canada is leading the world out. All the indices, whether in regard to trade manufacturing, railway revenues, production, commodity prices or anything else, show that.

I see there is no time for another speaker to follow me before six, but I am practically finished—and I have lost the final page of my notes. Probably my hon. friends will say that is not important. For a moment or two I am going to quote some United States commentators who have expressed opinions upon Canada's condition. Before doing that, however, I should like to quote just the heading of the last daily bulletin issued by the bureau of statistics, dated March 22, just five days ago:

> Weekly review of economic statistics. The business index was higher in February than in any other month for about four years.

Then I should like to quote from the Ottawa Morning Journal of November 15, 1934:

> Toronto, November 14.—Officials of the Babson statistical organization at a "clients' conference" here to-day declared Canada had made the greatest recovery from the depression of any country.

Then here is a quotation from the business bulletin of the Cleveland Trust Company dated November 15. I will quote just the last paragraph:

> The Canadian record in the reemployment of industrial workers is better than ours, although the difference is not so striking as is that relating to production. In September Canadian employment in industry was 82 per cent as great as it was in 1929, while in the United States it was only 70 per cent as great as the 1929 average. It is particularly noteworthy that in the first nine months of this year both industrial production and employment have made large net gains in Canada, and small net losses in the United States.

That is the view, sir, of men who look at us from the outside. I have mentioned Isaac Marcosson, who wrote an article which appeared not long ago in the Saturday Evening Post, and which I think was read by many of us, entitled North of the NRA. He loudly praised the work of this country and of the Canadian people. Sir, it is something of which we may well be proud. I submit that when the time comes in the near future, within the next six months, that the people of Canada are given the opportunity to vote upon the activities and policies of this government, they will support it much more emphatically than they did in 1930. I know hon. members opposite boast that they want an election. I remember well that they boasted to the same extent about victory in 1930, and they came back sitting to your left, Mr. Speaker. They will come back to your left again in 1935, just as surely as they are to your left to-day.

In closing may I say there have been two amendments, one offered by the hon. member for Shelburne-Yarmouth which is merely a negative of the whole budget resolution, and the other is an amendment by the hon. member for Macleod (Mr. Coote) on behalf of the third party and which amendment at the present time I do not intend to discuss. The government cannot accept either amendment. Both involve a want of confidence in the government, and for that reason the government cannot and does not intend to accept them. I now urge the appeal, as I have in the past, that in the future hon. members opposite, even at this late stage of the session, give us more of that cooperation about which they boast and less of the criticism in which they so frequently indulge.

Some hon. MEMBERS: Question.

Mr. WOODSWORTH: Mr. Speaker, would you call it six o'clock? I move the adjournment of the debate.

Motion agreed to and debate adjourned.

PRIVILEGE—MR. BROWN

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I rise to a question of privilege. This matter may not seem very important to many hon. members, but may I observe that while speaking the Minister of Railways and Canals (Mr. Manion) suggested I might provide a few spicy stories. I did not wish to interrupt him when he was speaking, but I believe at this time I should bring the matter to the attention of the house. Only a few days ago I heard a man describe as spicy reading the evidence coming from the Senate divorce committee. I hope the minister did not mean to imply that I was in the habit of telling stories spicy in that sense of the

word. I should like him to say—and I am sure he will—that such an implication would not be warranted.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I very gladly assure the hon. member that I was not serious so far as that observation was concerned. I believe I made that quite clear.

Mr. HANBURY: And during the whole speech.

Mr. MANION: I was just joking with my hon. friend, and the loud laughter which greeted my remarks, even from his own colleagues, should have indicated to him the good humour in which the observation was made.

Mr. BROWN: But some people would be glad to take it seriously.

Mr. HANBURY: We took the whole speech that way.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 28, 1935

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

First report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

PRIVATE BILL

WAPITI INSURANCE COMPANY

Mr. W. G. WEIR (Macdonald) moved:

That the petition of the Wapiti Insurance Company of Wawanesa, Manitoba, presented on the 27th instant, praying for an extension of time in which to apply for a licence to operate, together with the report of the clerk of petitions thereon, be referred to the standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

BRITISH NORTH AMERICA ACT

COMPLAINT OF INADEQUACY IN NUMBER OF REPORTS OF SPECIAL COMMITTEE

Mr. E. J. GARLAND (Bow River): I would like to direct the attention of the committee on the British North America Act to the fact that there seems to be an inadequacy in the number of reports printed. I have received only one set and yesterday when I had occasion to request a second set, I was unable to secure it, being informed by Mr. Doyle, secretary of that committee, that the number available is exhausted; that is, they have all been allocated. I suggest that this matter is of sufficient importance to justify the committee considering printing additional copies.

[Mr. Brown.]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FEDERAL DEBT—INTEREST RATES

Mr. MACKENZIE (Vancouver):

1. What is the average rate of interest payable on our federal debt: (a) direct; (b) guaranteed; payable in: (a) Canada; (b) England; (c) the United States?
2. What is the average rate of interest payable on our entire outstanding federal debt including direct and guaranteed?

Mr. RHODES:

1. (a) Average rate of interest on direct debt:

Payable in Canada	4·23%
Payable in Canada and New York	5·00%
Payable in New York	4·05%
Payable in London	3·62%

Average rate of interest on total direct debt—4·15%.

(b) Average rate of interest on guaranteed debt:

Payable in Canada	4·43%
Payable in Canada and New York	4·50%
Payable in New York	6·18%
Payable in London	3·84%
Payable in Canada and London	3·50%
Payable in Canada, London and New York	4·48%

Average rate of interest on total guaranteed debt—4·52%.

2. 4·24%.

LOANS—GREECE AND ROUMANIA

Mr. SPENCER:

1. What were the original loans made to Greece and Roumania respectively?
2. How much has been repaid to date?
3. What are the balances owing in each case, including interest and principal?

Mr. RHODES:

1.	Greece	$ 7,521,300 67
	Roumania	20,449,083 94
2.	Greece	$ 1,475,000 00
	Roumania	Nil
3.	Greece	$ 7,736,026 80
	Roumania	24,329,262 00

INCOME TAX COLLECTIONS

Mr. SPENCER:

1. What was the amount of income tax collected, for the fiscal year ended March 31, 1934?

2. How many paid income tax with incomes from—

(a) $1,000 up to $3,000:

1. Individuals.
2. Corporations.

(b) $3,000 up to $20,000:

1. Individuals.
2. Corporations.

(c) $20,000 up to $50,000:

1. Individuals.
2. Corporations.

(d) $50,000 and over:

1. Individuals.
2. Corporations.

Mr. MATTHEWS:

1. $61,399,171.52.

2. (a) 1. 139,523
2. 5,615
(b) 1. 62,532
2. 2,243
(c) 1. 1,595
2. 509
(d) 1. 307
2. 540

BANK OF CANADA—AUDITORS

Mr. MACKENZIE (Vancouver):

1. Who are the auditors for the Bank of Canada?
2. When were they appointed?
3. On what terms and conditions were they appointed in regard to salaries, etc.?

Mr. RHODES:

1. G. T. Clarkson and J. A. LaRue.
2. January 24, 1935.
3. Auditors' fee was left for determination at a later date when some experience has been acquired of the nature and extent of work involved.

TRANSLATION OF PRIME MINISTER'S RADIO ADDRESSES

Mr. BOUCHARD:

1. Was the translation of any or all the addresses broadcast in January last by the Prime Minister of Canada through the network of the Canadian radio commission made by the staff of the general translation branch or by the blue books translation division?
2. If so, who gave the instructions to make that aforesaid translation?
3. Were the translators paid any extra salary for that additional work?
4. Was that translation work given to the translators as part of their official duty?

Mr. CAHAN:

1. The translation of a number of addresses which were broadcast by the right hon. the Prime Minister of Canada, in January, 1935, was made by members of the staff of the bureau for translations, debates division.
2. The copy for these addresses was received by the bureau for translations in the usual course from the office of the right hon. the Prime Minister.
3. No.
4. Yes.

DISMISSALS OF POSTMASTERS

Mr. DUGUAY:

1. How many postmasters were dismissed, from 1921 to 1930: (a) without a charge being laid against them; (b) without investigation; (c) under the heading of "in the interest of the service"; (d) for the reappointment of a former incumbent; (e) without any specified reason?
2. How many postmasters were dismissed, from August, 1930, to March, 1935?

Mr. SAUVE:

1. From 1921 to 1930, 215 postmasters were dismissed without complaint and without investigation, as follows: interest of service, 120; reinstatement, 7; no reason given, 88.
2. From August, 1930, to March, 1935, 4 postmasters were dismissed without complaint and without investigation, as follows: interest of service, 1; reinstatement, 3; no reason given, 0.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL DEBT

Mr. MACKENZIE (Vancouver):

1. How much of our federal debt: (a) direct; (b) guaranteed; is payable: (a) in Canada; (b) in England; (c) in the United States?
2. What are the maturing dates of outstanding obligations of federal debts: (a) direct; (b) guaranteed; payable in: (a) Canada; (b) England; (c) the United States?

Mr. RHODES: Return tabled herewith.

Mr. MACKENZIE (Vancouver):

1. To what amount are our federal government bonds: (a) direct; (b) guaranteed; capable of being redeemed on call?
2. To what amount are such federal government bonds which are redeemable on call payable (1) in Canada; (2) in England; (3) in the United States?

Mr. RHODES: Return tabled herewith.

PRIVILEGE—MR. GORDON

PAYMENTS FOR RELIEF BY FEDERAL GOVERNMENT TO PROVINCE OF ONTARIO

On the orders of the day:

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, on a question of privilege, the Toronto Globe of the 23rd instant carries a report of discussions in the provincial legislature of Ontario on the 22nd instant.

The article to which I want to draw attention appears under the caption:

No Ottawa help for relief works—Ontario has not received "one red cent" from federal government, Croll tells legislature.

The article commences with a quotation from Mr. Croll's speech as follows:

Mr. Speaker, Mr. Bennett's relief policy is not a five cent piece—it's not a darn cent.

Now let us examine the facts.

Mr. CASGRAIN: You have to take it.

Mr. GORDON: Let us see. First in regard to direct relief expenditure prior to August 1, 1934, there was paid by the federal government to the province of Ontario $5,227,143.98.

Some hon. MEMBERS: Order.

Mr. LAPOINTE: I submit this is not a question of privilege, it is an argument. If the minister is allowed to do that every member will have the same privilege.

Mr. BELL (Hamilton): Why do you want to shut it off?

Mr. CASGRAIN: Take your medicine.

Mr. SPEAKER: I think the hon. minister has a right to give a brief statement of the facts.

Mr. LAPOINTE: I shall have the same latitude?

Mr. SPEAKER: The hon. member for Quebec East (Mr. Lapointe) will get exactly the same treatment as any other hon. member.

Mr. GORDON: Secondly, in respect of grants in aid, from August 1, 1934, to January 31, 1935, the federal government paid to the province of Ontario the sum of $4,250,000.

In respect of relief land settlement the federal government paid the sum of $32,316.41, and in respect of relief works, under the 1933 act payments were made amounting to $255,271.58 and for relief works in the year 1934, $2,248,770.20, making a total for relief works of $2,504,041.78, and a grand total for direct relief, grants in aid and relief works paid to the province of Ontario since the present Ontario government took office of $12,013,502.17.

PRINTING OF ELECTORAL LISTS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I think I saw the Secretary of State (Mr. Cahan) take a little slip from his vest pocket.

[Mr. Gordon.]

Hon. C. H. CAHAN (Secretary of State): The inquiry I assume is in regard to the electoral lists. The electoral lists for the 243 electoral districts comprising 5,808,684 qualified electors have been all set up in type at the government printing bureau except the lists for two polling divisions in the electoral district of Skeena which have not been received. I have not yet been able to ascertain whether these polling divisions are still in existence or not.

The electoral lists for 214 electoral districts have been printed, bound and delivered to the franchise commissioner for distribution, and distribution began, or instructions were given for distribution a week ago to-day. Lists for the 29 other electoral districts are already in type, a large number have been printed and they are at present being bound, and I trust they will be completely bound and ready for distribution during the present week.

That hon. members may appreciate the enormous amount of work involved, I may say that the type alone used in the printing of these lists, which is kept standing, amounts to 350 tons, and the paper required is a very large quantity indeed. This additional work has been performed by the printing bureau while maintaining its ordinary services for government departments and for this parliament. I think that the officials and employees of the printing bureau, both men and women, have shown a degree of interest, speed and efficiency which is entirely commendable. There are no other two or three printing establishments in the Dominion of Canada combined which could have carried through this work in the same time.

Mr. DUFF: When are you going to have the election?

Mr. MACKENZIE KING: Might I ask the Secretary of State how he proposes to find out whether those two missing polling subdivisions are in existence?

Mr. CAHAN: I think some Indian guides should be sent out to inquire.

Mr. McINTOSH: I think the hon. member in that riding is safe anyway.

SUPPLY

RAILWAYS AND CANALS

The house in committee of supply, Mr. Morand in the chair.

Maritime Freight Rates Act—Additional amount, in excess of the sum of $1,440,000 already appropriated, required to provide for the payment from time to time during the

fiscal year 1934-35 to the Canadian National Railway Company of the difference (estimated by the auditors of the said company and certified by the said auditors to the Minister of Railways and Canals as and when required by the said minister), occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in section 9 of the said act with respect to companies therein referred to) on all traffic moved during the year 1934, under the tariffs approved, on the eastern lines (as referred to in section 1 of the said act) of the Canadian National Railways, $338,239.21.

Mr. VENIOT: I should like to discuss this item.

Mr. RHODES: The Minister of Railways is absent to-day, but my hon. friend will appreciate that there are other railway items standing on which he can discuss any matter he so desires.

Mr. VENIOT: Very well.

Item agreed to.

Amount required to provide for payment to the Canadian National Railway Company of the net income deficit including profit and loss, incurred by the system during the year 1934, as certified to by the auditors in the annual report of the company for the year 1934, but exclusive of all non-cash items, including interest on dominion government advances, as further certified to by the auditors and approved by the Minister of Railways and Canals; this payment to be applied in reduction of accountable advances made to the company from the consolidated revenue fund under authority of the Canadian National Railways Financing Act, 1934:

Canadian National Railways, excluding eastern lines, $42,589,824.96.

Eastern lines, excluding Prince Edward Island car ferry and terminals, $5,434,133.74.

Prince Edward Island car ferry and terminals, $383,942.

Mr. EULER: May I ask the minister whether the department is to follow the practice adopted for the last two years, I think, of charging the Canadian National Railway deficits directly against the general account rather than against the national railways account?

Mr. RHODES: Yes, my hon. friend is quite right; we are pursuing the same practice with respect to this vote as we followed last year. We are merely voting now that sum which was included in the Canadian National bill, which was passed upon also by the railway committee. We are merely voting the amount required now, and it will be charged up to the general fund.

Mr. GARLAND (Bow River): If no inconvenience would be caused anyone connected with the Canadian National system I submit that this item might well stand, involving as it does this large amount, until the Minister of Railways is here and a discussion can take place on the whole question of the Canadian National system.

Mr. RHODES: May I point out, Mr. Chairman, that there are other items in the main estimates which would permit a wide discussion as far as railway matters are concerned. This, of course, is a matter for the committee to determine, but unless we pass these supplementary estimates for this year and put through the bill covering them the votes will not be of any benefit to those to whom the money is supposed to go. Under the ordinary practice we put through the supplementaries for this year and then pass a bill based upon them. The supplementaries for next year will follow in the course of a few days or weeks as the case may be.

Mr. GARLAND (Bow River): Then if it is understood that the widest possible scope will be afforded in connection with the other items I have no further objection.

Mr. RHODES: Certainly. This is merely to enable the accounts to be paid within this year, because my hon. friend will appreciate that the fiscal year ends March 31.

Item agreed to.

DEPARTMENT OF LABOUR

Annuities Act — further amount required, $50,000.

Mr. POULIOT: I should like to point out that there are many sections of the Annuities Act which are in conflict with the unemployment insurance bill. I am sorry the Minister of Labour is not here, because he might be able to give us some light on the matter.

Mr. RHODES: I hope my hon. friend from Témiscouata will be content if he has full freedom of discussion on another item which appears in the main estimates. I have not the details before me, but as I understand it this sum is required for expenses in view of the circumstance that larger numbers of annuities are being taken out, so this sum is required to make good that increased expenditure within this present fiscal year.

Mr. POULIOT: Certainly I will agree to the request of the Minister of Finance, but I should like to direct another question to him. I should like to ask when the returns in connection with taxation will be tabled. That is a different matter, but I should be glad to have the information.

Mr. RHODES: My hon. friend will appreciate that I have no knowledge of the matter at the moment, but I shall be glad to make inquiries.

Item agreed to.

PUBLIC PRINTING AND STATIONERY

Printing, binding, etc., the annual statutes—further amount required, $10,713.64.

Mr. BOUCHARD: Under this item may I ask the minister if the speeches broadcast by the Prime Minister last January were printed and distributed to members of the house? By the answers given me to-day I gather that the translations of a number of addresses broadcast by the Prime Minister in January of this year were made by members of the staff of the bureau for translations, debates division. In reply to my second question, as to who gave the instructions, I am informed that the copy for these addresses was received by the bureau for translations in the usual course from the office of the Prime Minister, that being so should not any member of this house be entitled to obtain those speeches in both English and French, since they are considered official documents? Personally I have always considered them political propaganda.

Mr. CAHAN: If the hon. gentleman's question was answered in that way, then those translations were made by the bureau for translations. I am not the collector of accounts, but I assume that if it was a personal matter the Prime Minister would be billed for the work. This item covers printing of statutes at the printing bureau. I have no idea as to whether or not any printing to which my hon. friend refers was done at the bureau; I cannot follow every item. I do know, however, that on two occasions—as hon. members will have noticed in the reports of the printing bureau—when I have sent matter to the bureau to be printed, the printing bureau always sends me a bill and I pay for that printing at the end of the month if it is not deemed to be official work or closely related to the official work of my department. This item simply covers the printing of the annual statutes. Last year the statutes were very voluminous, but the receipts from the sale of those statutes go into the treasury. I must have a vote to take care of the extra printing that was done last year.

Mr. POULIOT: I do not object to this vote, but I should like to ask the minister whether, since the typesetting of the voters' lists was started, any printing has had to be done outside the bureau in connection with official publications.

Mr. CAHAN: None at all.

Mr. MERCIER (Laurier-Outremont): Could the minister give us any idea as to what amount comes to the treasury through the sale of the statutes?

[Mr. Rhodes.]

Mr. CAHAN: I could ascertain that amount, because I believe it appears in the annual return, if my memory is correct. Except for the so-called official list and those which go to several of the universities of which a list has been established over a long series of years, the statutes are paid for as they are distributed, and as payments are made the cheques go into the consolidated revenue fund from day to day.

Mr. LAPOINTE: Following the answer given to the hon. member for Kamouraska do I understand hon. members of the house may avail themselves of the services of the bureau for translations? If hon. members are willing to pay for the translations, may they ask the translators to do the work, as it was done for the Prime Minister?

Mr. CAHAN: As a matter of fact I had no personal knowledge that that translation work had been done. I do not follow the day to day work of the translation bureau, but if that bureau receives work from any department of the government it is not for the superintendent to decide as to whether or not it is personal or official. Therefore the superintendent did exactly what he should have done under the circumstances; he put through the translation. I think possibly if the right hon. leader of the opposition or the former Minister of Justice had some text which either of them wished to have translated, and if there were time to do it, undoubtedly the translation bureau would do it for him. If it appeared that the work was of a personal nature I am sure the comptroller of the treasury would see that compensation was paid for the work.

Mr. DUFF: It seems to me the hon. member for Kamouraska has made a serious allegation. He has stated a private speech made by a private citizen of Canada was afterwards sent to the bureau for translations, and that this country paid for the work. Does the Secretary of State mean to say that if I make a speech in English at Port Felix, Harbour au Bouche, or some other point, I may send that speech to Ottawa, to the department where the translation is done, and have it translated by the public translators? It seems to me that is a rather strange way to do the business of the country. My understanding is that the public bureau for translations paid for by the taxpayers, is to be used only in connection with public documents. Surely the Secretary of State does not mean to say that any private member could go out and get off a lot of bedtime stories or make speeches throughout the country and then send them

to a government department to have them translated,—even if such private member were willing to pay for the actual translation? I hope the Secretary of State will investigate the matter and find out whether or not the Prime Minister or any other member of parliament, no matter how meek or little he may be, may take advantage of the bureau for translations or the public printing bureau to have his speeches printed at cost price.

Mr. CAHAN: As a matter of fact any translation that was done by the bureau either in whole or in part of any addresses given by the Prime Minister was performed before any speech was delivered. In the ordinary course the bureau for translations received certain documents from the Prime Minister's office with a request that they be translated. The bureau translated them. The matter was not referred to me nor did it come within my knowledge, but the bureau acts at the request of a public department as they receive work to do from day to day.

Mr. DUFF: The question is as to whether or not the work to which reference is made constituted a governmental document. If the Prime Minister, the Secretary of State or any other minister wished to issue a governmental document to the public it would be all right to have that document printed in English and French by the public printing bureau, or to have it go to the translators to have translations made. I understand the allegation made by the hon. member for Kamouraska is, however, that the Prime Minister was taking advantage of the fact that he was Prime Minister to have a private and political speech made by him in a certain part of this country translated into French at the expense of the people of Canada,—although I will admit he may have been willing to pay for the actual cost of translation.

I wish to say to the Secretary of State the taxpayers are not paying translators who translate into either the French or the English language to translate speeches of private members of parliament made outside of this house. My understanding is that the translators, whether they translate into English or French, have to translate only what happens within the precincts of parliament, and not anything which may arise from a happening in Halifax, Vancouver, Montreal or the Prime Minister's quarters at the Chateau Laurier.

Mr. RHODES: I had no knowldege of the matter raised by the hon. member for Kamouraska, and his having done so brought to me the first intimation that any such question had arisen. I rise for the purpose of saying that the fullest information will be gladly disclosed, and that we will secure complete information. I feel quite certain that as has been the case hitherto, if any printing or translation was done for the Prime Minister he would have arranged in advance to pay for it. There was no printing; it was a question of translation. I have risen to state that the item now under discussion has to do with printing and binding of the statutes, and the moneys required therefor. Those moneys are necessary in the present fiscal year. There will be an item in the supplementary estimates for the next year; this will come down in the course of the next few days, and will provide ample opportunity for complete discussion of this matter. Therefore I hope that under the circumstances hon. members will permit the item to pass on the understanding that full opportunity for discussion will be available when the item comes down, as undoubtedly it will.

Mr. LAPOINTE: Before the minister secures the information may I draw his attention to the answer which was given. The question was asked, "Were the translators paid any extra salary for that additional work?" and the answer was "No." They were paid no extra salary; they have only their usual annual salary. Then the question was asked, "Was that translation work given to the translators as part of their official duty?" And the answer was, "Yes."

Mr. RHODES: This is the first time I have had the matter brought to my attention. The statement is made that no additional salary was paid to the translators by reason of certain work having been done, but it by no means follows that because that statement was made the work was not paid for. So I think it would be unfortunate to have a wrong impression created without first having full knowledge of the facts. I suggest the discussion might take place to greater advantage in connection with an ensuing item at a time when we will have all the facts.

Mr. STEWART (Edmonton): I am greatly relieved, because I was wondering how the broadcast we Liberals expect our leader to make at a later date would be translated. I now find the method of doing it.

Mr. POWER: I should like to ask the Secretary of State if it is a fact that any member of parliament may go to the bureau for translations and have newspaper clippings translated for the purpose of preparing his speech? Is that the custom?

Mr. CAHAN: I do not know of any such custom. I shall make inquiries and ascertain the fact. I should think that if any hon. member for the purpose of his speech wished to have a short translation made from English into French or from French into English and asked permission of me to have it done I believe I would see that it was done.

Mr. POWER: Would it be permissible to have translations of clippings for the purpose of having them inserted in party propaganda or electoral literature?

Mr. CAHAN: I think if such a request were made to me I would refuse it.

Mr. POWER: Will the Secretary of State inquire as to the hours the traslators worked on these speeches? My information is that on the very speech which laid down the principle that we must have certain maximum working hours the translators were obliged to work until two or three o'clock in the morning, and at ordinary rates of pay, in order to have the speech ready at the proper time. If that is the case I should like the Secretary of State to inquire into the matter.

Mr. CASGRAIN: Slavery.

Mr. CAHAN: May I say to the hon. member that this item does not include translations, but refers to the public statutes of Canada. These are translated by translators in due course. So far as the hours of labour of the translators are concerned I have made a full report, to the minute, for each day up to the date of the inquiry as to the hours employed for the translation of debates. As to the ordinary documents of the house, they are translated in the usual hours. It is true that for the purpose of procuring the translation of the official Hansard the work is done at night, exactly the same as the printing of both Hansards is done at night.

Mr. POWER: I am not concerned with the printing of Hansard, and it is really out of courtesy to the Secretary of State that I am suggesting these questions now because when the time comes to discuss them on the vote for the translation bureau I propose to question the minister pretty thoroughly as to the time employed by these translators who are doing this work of translating the broadcast speeches.

Mr. CANTLEY: Then why not leave it till that time?

Mr. POWER: Simply out of courtesy to the Secretary of State. I want to warn him so that he may come here prepared to give us all that information, and I am sure the Secretary of State will thank me for doing it.

While I am on my feet, may I ask the Secretary of State whether the communiqué that was distributed all over Canada by the ex-Minister of Trade and Commerce and to the Study Club of the Conservative members of the House of Commons was also translated by the bureau?

Mr. CAHAN: If that question is put on the order paper or stands as a notice I shall make inquiry.

Mr. BOUCHARD: As we were given so many beautiful hopes last year about the translation service, I would ask the hon. Secretary of State if we may have a French copy of the estimates that are now under discussion. I asked for a copy, and the page told me that they were not available.

Mr. CAHAN: I have nothing to do with furnishing French copies of the estimates. When the estimates are laid upon the table they are sent to the translators, I suppose, by the officials of the house unless they have been translated prior to that time.

Mr. POWER: I do not think there are any copies in French of the estimates we are considering, Mr. Chairman, and I do not think we ought to proceed with them without a French copy.

Mr. GARLAND (Bow River): I would like to ask two questions. Does the minister regard it as part of the official duties of the translators to translate the speeches that he may make outside the house? That is No. 1. The second question is this: If he does regard it as part of their official duties to translate such speeches, are they entitled to additional remuneration? Or in the event of the minister regarding that as not part of their official duties, are they not then entitled to additional remuneration? And to whom does the privilege apply of having private speeches made outside the house translated by the translation bureau?

Mr. CAHAN: I think, Mr. Chairman, that I have given a full answer to these questions, as the record will show.

Mr. POULIOT: Mr. Chairman, I am most surprised to hear this discussion about the translation from English into French of the right hon. the Prime Minister's speeches. I will tell you why. It is because some time ago the Tory correspondent of a Tory newspaper in Montreal wrote in very plain language that the Prime Minister was bilingual. Now if the Prime Minister is an accomplished

bilinguist, that translation by the translators was superfluous. It would seem that the speech must have been prepared by someone else than the Prime Minister, by Mr. Finlayson, Mr. Herridge or someone else. Surely it could not have been prepared by the right hon. the Prime Minister himself for he would have dictated it both in French and in English. I strongly protest against the answer which has been given by the government to my hon. friend from Kamouraska because the government should have answered that the Prime Minister dictates his speeches in English or French according to the occasion. I do not think the government has been respectful to the Prime Minister, and I strongly object to that. The discussion which has taken place is absolutely irrelevant.

Item agreed to.

PENSIONS AND NATIONAL HEALTH

War veterans' allowances—further amount required, $20,000.

Mr. MACKENZIE (Vancouver): May I ask the Minister of Pensions (Mr. Sutherland) when he expects that the report of the special committee that is considering the question of unemployment among ex-service men will be submitted to parliament, and is it the minister's intention then to submit the report to a special committee of this house?

Mr. SUTHERLAND: That has not yet been considered. As the hon. gentleman knows, the committee has been sitting only about a week, and as soon as I have any idea of the time when they will make their report I shall be very glad to give the information.

Mr. COOTE: There are quite a lot of war veterans' in Canada receiving the war veterans' allowance who are homeless men, and I would ask the minister whether his department would not consider using the old Brant house at Burlington, which I think is government property, and is now vacant. It could be fitted up as a home for these men who are now homeless and in receipt of war veterans' allowance. I think they would be far better off in a home like that where they could be cared for properly, and I do not think it would cost the department any more money. I think the suggestion is certainly worthy of investigation.

Mr. SUTHERLAND: The idea has some merit undoubtedly, and sooner or later I am of the opinion that some step of that kind will have to be taken for that type of men. As to the particular building which the hon. gentleman suggests I am a little doubtful as to its suitability, and particularly as to whether the building is a good fire risk, and of course every building of that kind must be almost fireproof because old soldiers like to take a smoke at two o'clock in the morning, and there is more risk of fire in consequence. That building was an old summer hotel, and I do not think it would be fit for the purpose.

Mr. COOTE: If that building is not just as fit as the minister thinks it should be, would not the department consider fixing up some building for the purpose? The only reason I suggest that building is that I know it is standing idle and it seems to me it is well located, but it may be that the fire hazard would be too great. The minister says that sooner or later something of this kind will have to be done. It is now more than fifteen years after the war and I think it is time that the department did establish some such home for the veterans. I want to take this opportunity of pressing on the minister that he give the suggestion very serious consideration with a view to providing an item in the estimates for that purpose next year.

Mr. SUTHERLAND: These patients are being looked after to a certain extent by the civic hospital. My own opinion is that the existing hospitals will gradually become institutions of that character. Cases of acute illness will have to be dealt with by the general hospitals under some arrangement. The department is giving a good deal of attention to this matter.

Mr. COOTE: It is true that many of these patients are being cared for by the hospitals. I have in mind one man who has been in Belcher hospital for about six years. I understand that on three different occasions the hospital authorities have threatened to carry him out of the hospital and leave him on the door-step of the rural municipality. I have had to appeal personally to the minister to prevent this being done. There is no hospital in the municipality where this man can be cared for and he should not be in the position of being dependent upon a member of parliament going to the minister to prevent his being turned out of the hospital. Surely this problem could be dealt with in a national way. As a matter of fact Belcher hospital is not the proper place to keep a man of this type. It is located in the noisiest section of Calgary. An old business house was taken over which was located alongside a freight track while Eighth avenue, along which there is a very heavy traffic in street cars, is on the other side. I do not want to hold up the work of the committee except to say that this is a problem which should have been dealt with

long ago. I think the department should bring forward proper recommendations to deal with cases of this kind. Six years ago this man was declared to be one hundred per cent disabled, not being able to put on his own clothes. He could not obtain a pension and it was only through my representations to the former Minister of Pensions and National Health that he was admitted to Belcher hospital. I am sure that this case is typical of hundreds of others. This country is well able to take care of these men and I submit that at the next session the department should present some scheme for taking care of them in a better way.

Mr. CAHAN: I have made inquiry and have found that the French translation of these supplementary estimates has been available to members at the distribution office ever since March 20.

Mr. ANDERSON (Halton): Mr. Chairman, I should like to refer briefly to the Brant military hospital at Burlington. During the last few years this group of buildings has been inspected several times by officials from the department. The buildings are in a very poor state of repair and it would cost probably thousands of dollars to make them habitable. There is one section which is in a fair state of repair but even that has not been used for a number of years. I think these buildings should be looked at to see if they would not be suitable for use. They are located on the shore of lake Ontario amid beautiful surroundings and I think they should be made use of. The Department of Public Works has considered the taking down of the oldest building while certain other buildings in the park have been removed. There are still three or four left, one of which is being used by the watchman. The Department of the Interior has been requested by the people of Halton to take over this park and make it a national park in memory of Chief Brant, whose old residence was located there, the one he used when he was living in that section of Ontario.

Mr. POWER: I am under the impression that all items for the Department of Pensions and National Health have been passed; is that right?

Mr. SUTHERLAND: I believe there will be a small supplementary estimate for the coming year. This item is for the current year ending March 31.

[Mr. Coote.]

Mr. POWER: Will the minister undertake to provide an opportunity to discuss matters relating to pensions and national health, particularly those relating to relief for pensioners?

Mr. SUTHERLAND: I am glad to give an undertaking that such an opportunity will be provided.

Item agreed to.

TRADE AND COMMERCE

Royal commission on price spreads and mass buying, $75,000.

Mr. MERCIER (St. Henri): What has been spent on this commission up to date?

Mr. HANSON (York-Sunbury): There was a specific vote last year of $170,000, all of which has been spent. A sum of $155,000 was provided by governor general's warrants and orders in council, of which $6,674 is still available. A further amount of $80,274 is required for outstanding accounts and estimated expenditures. And this $75,000 additional estimate will cover the entire requirements. I am not sure but that there is some duplication in these amounts and I can only pass on the information I received from the chairman. I shall be glad to get the exact information.

Mr. LAPOINTE: What amount is being paid at the present time to counsel?

Mr. HANSON (York-Sunbury): The counsel were let go as soon as the evidence was concluded, the only expense now is for clerical assistance, and I understand this is very small.

Mr. POULIOT: The members of the House of Commons who composed this commission are deserving of credit because of the long hours they gave to this work, but I contend that their work is still incomplete. In order to make it complete it would be necessary to have several commissions working for years and years. We will have only part of the story. Not only that, but I complain, for instance—

The CHAIRMAN: I would suggest that a discussion on the report of the price spreads commission is out of order.

Mr. POULIOT: Let me tell the committee why I hesitate to vote this amount of money, $75,000, which is a very considerable sum. I am entitled to do that, I will do so shortly. and my remarks will be to the point. In the packing business, do you know, sir, that there are two sets of ledgers.

The CHAIRMAN: I cannot permit the hon. member to discuss something that is not before the committee and the report is not before us.

Mr. POULIOT: I am not discussing the report nor anything which has come before the commission; I am mentioning matters that have not come before it, and I say that the appropriation should be considerably increased in order that the whole business throughout the country may be investigated. Although $75,000 is a considerable sum, we have only part of the picture.

Mr. HANSON (York-Sunbury): May I interrupt? This is an appropriation for a royal commission and any discussion of the report or of the proceedings of a royal commission is out of order.

Mr. MACKENZIE (Vancouver): The hon. member is discussing the mechanism of it and he is quite entitled to do that.

Mr. HANSON (York-Sunbury): If it were a committee of the house, I would say that the discussion was in order, but in the case of a royal commission, the matter is different.

Mr. MACKENZIE (Vancouver): Surely the committee is entitled to discuss the method of expenditure of any sums it is voting.

The CHAIRMAN: Provided that the hon. member is discussing the method of expending the money and not the report, he is in order.

Mr. POULIOT: I am not touching on the report. If I were discussing McLean's evidence about the packing business, the matter would be different, but I am not discussing what he has said. I claim that more money should be voted in order that we may have information about their other set of ledgers for their own use in the hog-packing business.

The CHAIRMAN: That is not in order. Surely the hon. member is an old parliamentarian and he knows that is not in order.

Mr. POULIOT: I regret I have to differ with you, sir, but I always bow to the ruling of the chair, and therefore I shall not continue on this point. But may I say on the first point that although the members have done their best while they have been sitting on either the committee or the commission—and it was a very dull proposition to sit there—they have only part of the picture, and to have the whole picture, several commissions should be appointed to sit at the same time and for years in order to present a complete report. Moreover, the evidence is so considerable that men have been employed to assist the members of the royal commission. I can discuss that because part of the salaries of the men who do that work is included in the item. That appropriation would never have come before the house had the profiteers not been protected by tariff walls since 1930.

The CHAIRMAN: Again I must insist that such a discussion is certainly not in order.

Mr. POULIOT: On a point of order I will explain to you, sir, that it is quite legitimate to state the reasons for an appropriation. If you suppress the cause, you suppress the effect. Therefore if you suppress the cause of all that fattening of public exploiters, you suppress the effect, namely, the exploitation of the public by those men, and thus you save money for the people. What I am after is the saving of money, and I repeat that due to present conditions the amount set forth in the appropriation is not sufficient. If however a different policy had been adopted by this government—

The CHAIRMAN: Again that is not in order.

Mr. POULIOT: —we would never have had this appropriation to consider in the house.

Mr. MACKENZIE KING: Can the minister advise the committee as to when the report may be expected?

Mr. HANSON (York-Sunbury): We have been making very honest efforts to ascertain that fact. Within the past hour the chairman of the commission interviewed me with respect to this appropriation and I asked him the question. The report is now in course of final preparation and it is expected that it will reach me early next week. That is the best information I can give the committee.

Mr. CASGRAIN: When will it be tabled?

Mr. HANSON (York-Sunbury): I do not know whether I am supposed to read the report. I understand it will cover about 500 pages of printed matter. If I were to apply myself, I might get through and digest it in a week. Then it has to go to council. Due expedition will be used, I assure the committee, to get the report on the table of the house as soon after we receive it as possible.

Mr. POULIOT: According to a return which has been tabled, part of the cost of that royal commission has been as follows:

Mr. Norman Sommerville.. ..	$ 32,581 96
Mr. W. W. Parry, K.C.. ..	11,742 10
Total cost of auditors..	192,064 44
Total cost of investigators..	30,016 68
Total cost of investigation to March 14, 1934..	354,951 38

This does not include cost of messengers, stationery, printing and other costs of government employees.

This is a good deal of money we have to pay in addition to taxation for the protection of profiteers.

Item agreed to on division.

Miscellaneous—To provide for grants to veterans of the Northwest Mounted Police, who served in the Northwest rebellion of 1885, in lieu of scrip, $300 each, as authorized by the governor in council, $3,000.

Mr. MERCIER (St. Henri): How many veterans remain?

Mr. GUTHRIE: It is assumed that there are a few. From time to time they are turning up in different parts of the country. The original vote was $30,000 and that is exhausted. It is assumed that ten will cover the remaining number of veterans; perhaps there will be only six or seven.

Mr. STEWART (Edmonton): Has the minister finally concluded his investigation and come to a decision about pensioning the few odd mounties?

Mr. GUTHRIE: I have a very elaborate report on the matter and when the estimates come up I shall be glad to discuss it.

Item agreed to.

Miscellaneous—Loan to the Chicoutimi harbour commissioners for the construction of harbour improvements and facilities, additional to the amount authorized by the Chicoutimi Harbour Loan Act, 1931, and to be subject to the provision of the said act, $256,500.

Mr. GARLAND (Bow River): I would like to ask the minister whether this harbour commission makes a report and also a financial statement to parliament. The sum of money advanced is very large and it is one of those nonactive investments of the government that it is very difficult to justify in general terms.

Mr. RHODES: My hon. friend will realize that I had expected the Minister of Marine to be present and I am not in a position to give him as complete information as I would wish. With respect to the immediate item, my recollection is that this is to cover an amount which has already been expended by the commission and which they have borrowed from the bank under the authority of an order in council. It is an item which has stood for some time. The bank interest naturally would be higher than our own, so we thought it the part of wisdom to advance the money at the interest rate which is available to us rather than pay a higher rate to the bank.

With respect to the other part of the hon. member's question, the harbour commissioners do report to the Minister of Marine, and I assume, although on this point I cannot be certain because I have not had opportunity to inquire, that he in turn tables these reports in the house. But on that latter point I am subject to correction after verification.

Mr. GARLAND (Bow River): I would like to have a copy of that report and the financial statement. It is hardly fair—but I shall also ask the minister to request the Minister of Marine to advise the committee at another sitting as to the expenditure last year of this harbour commission, and the total amount voted by parliament since the commission was set up.

Mr. RHODES: I shall be very happy to undertake to see that a complete statement of the expenditure and commitments respecting Chicoutimi harbour is furnished, and I shall also direct the attention of the Minister of Marine to the hon. member's question. But I undertake myself to see that he gets a complete statement.

Item agreed to.

Resolutions reported, read the second time, and concurred in.

Mr. RHODES: There is on the order paper for the purpose of the budget debate a motion that we resolve ourselves into committee of ways and means. I ask unanimous consent that we may go into committee of ways and means for the purpose of passing the resolution to enable me to bring in the bill based upon these resolutions.

And consent having been given.

WAYS AND MEANS

INTERIM SUPPLY BILL

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. RHODES moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the

fiscal year ending March 31, 1935, the sum of $49,285,095.37 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 47 for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1935.

Motion agreed to, bill read the first and second time, and the house went into committee thereon, Mr. Morand in the chair.

On section 1—On the short title.

Mr. POULIOT: I shall not discuss anything on this to-day if I am told when the External Affairs estimates will come.

Mr. RHODES: I am sorry I cannot inform my hon. friend. If he is anxious to know I shall endeavour to find out when they will be brought in.

Mr. POULIOT: What I am asking is if he will be kind enough to tell me if all the estimates for External Affairs are passed.

Mr. RHODES: I cannot answer offhand. I shall have to examine the list.

Mr. POULIOT: If they are passed may I ask the government if any minister or envoy plenipotentiary of Canada in other countries has been authorized to lend his name directly or indirectly to the advertising of any manufactured product?

Mr. RHODES: If my hon. friend will look up his estimates, page 55, item 203, he will see that there will be ample opportunity afforded him to put his question.

Mr. POULIOT: Then I shall not insist on that now.

Mr. WOODSWORTH: In that connection may I say that on several occasions, whether purposely or inadvertently, the estimates of the Department of External Affairs have sometimes been presented without very adequate notice. I wish it were possible that the house should be given fair notice of when these estimates will be up so that we may have an opportunity to be present.

Mr. RHODES: I shall do the best I can to accommodate my hon. friend in giving notice.

Mr. LAPOINTE: There is a vote for ocean and harbour services. Some time ago I asked the Minister of Marine whether in the public works which have been carried on in the harbour of Quebec under the Public Works Construction Act public tenders had been asked, and he said no, that tenders had been asked only from certain local firms, in order to keep the work for local workmen. Afterwards I asked what firms had been invited to tender, and the minister gave me a list of six or seven names which did not include the most important contracting firms in Quebec city. I sent the minister a letter, because there is other work to be done under the same vote and under new votes this year, in which I gave a list of fifteen of the leading contracting firms of Quebec city, asking the minister, if he does not invite public tenders, at least to request tenders from these reliable firms. As yet I have not been privileged to receive an answer from the minister, but I should like my hon. friend to bring this very important question to the attention of the Minister of Marine and to assure him that I will not leave him free of this matter before the end of the session.

Mr. RHODES: I shall be very pleased to undertake to direct the attention of my colleague, the Minister of Marine, to the question raised by my hon. friend from Quebec East. In that connection I would point out to him that in the main estimates two items still remain to be passed, and I trust that my hon. friend can look for his reply when those items are called.

Mr. POWER: I would direct the attention of the minister to the fact that while there may be some improvement in the list of contractors when the names suggested by the hon. member for Quebec East have been added to those names already carefully selected by the Minister of Marine and his friends, it might be well if a few contractors in Quebec South were added to the list. I propose to make this suggestion later on also.

Mr. RHODES: I shall be very happy to direct the attention of my colleague, the Minister of Marine, to the remarks of my hon. friend from Quebec South.

Mr. LAPOINTE: I may tell my hon. friend that in order to make my list as imposing as possible I have included his contractors as well as my own.

Section agreed to.

Sections 2 and 3 agreed to.

Schedule agreed to.

Preamble agreed to.

Bill reported, read the third time and passed

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, March 27, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the proposed amendment of Mr. Ralston, and the amendment to the amendment of Mr. Coote.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in the course of his speech last evening the Minister of Railways (Mr. Manion) gave a very impressive list of the legislative measures which have been brought down by the government. I think some of us are quite willing to concede that, especially last year and this year, the government have broken new ground, but I submit that the program of the government offers no solution at all to our outstanding economic problems. Hence I agree with the statement contained in the earlier part of the amendment:

> —that the proposals submitted by the Minister of Finance on March 22 are entirely inadequate to meet the serious and acute situation prevailing in Canada—

In one point I agree with the Minister of Railways; that is in his appeal to the official opposition to state their alternative proposals. It seems to me the opposition have taken an exceedingly weak position in simply calling attention to the inadequacy of the government's proposals while giving no alternative program at all, merely calling for an election. It is all very well to call for an election, but before the people can intelligently decide any matter at an election they should have a definite alternative program placed before them. The Liberals are not playing fair with the electors unless at this session of the house they state definitely their program.

Apparently once again the Minister of Railways would give the impression that prosperity is just around the corner. I submit that the statement of the Prime Minister in his radio addresses was much closer to the real facts of the situation. It will be remembered that he said:

> The truth is disturbing. The world is in tragic circumstances. The signs of recovery are few and doubtful. The signs of trouble are many, and they do not lessen.

If that is true of the world at large I believe it is also true of our own country. The signs of recovery are few and doubtful; the signs of trouble are many and they do not lessen. A review of the situation in Canada such as was included in the earlier part of the budget speech would be hardly complete unless it frankly stated that there is continued stagnation in business, notwithstanding the array of statistics that are sometimes brought forth to the contrary. The ordinary man on the street knows perfectly well that he is still on the very ragged edge of things and that the present situation is by no means satisfactory.

We are faced, not merely in this house but also in the provinces and in the municipalities, with mounting debts. There seems to be no way out, and in addition we have a most serious unemployment problem, which is not lessening. Yesterday we had a conference of mayors meeting with a number of members of parliament, when they presented a case—and I think a very strong case—for immediate action on the part of the dominion government. I have no doubt that most hon. members have received from this body a comparative statement of the relief situation in Canadian municipalities in relation to municipal finances. It is not my intention to burden the pages of Hansard with many of the figures therein contained, but I should like to direct attention to one or two significant statements. In a total of some ninety cities and towns in Canada we find there is an average of 16·7 per cent of the entire population on relief. Further, the ratio of relief expenditures in the municipalities to their entire expenditure is 10·3. That is indeed a very serious situation. Then, turning to the gross total of bonded indebtedness of all classes of municipalities we find that Canada with a population of 9,860,400 has a gross bonded municipal indebtedness of $1,385,-071,100, or a per capita of $140.47.

I believe no one could listen to the presentation made last night by the representatives and mayors without feeling something of a breath of reality that is not very common in this House of Commons. It has become the practice in this chamber to put the best face on matters or, on the other hand, to draw an exaggerated picture of the difficulties into which the government policy has brought us. But here was a group of men representing, pretty directly, as they themselves put it almost half the population of Canada. Some of them belonged to one party and some to another, but they came direct from the people and from actual problems urging that some action be taken. In view of the visit of that delegation, the timing of which I do not think has any political significance, I do not think we can say that the situation in Canada is at all satisfactory. We have the growing debts and

the condition whereby municipalities are no longer able to maintain the care of the unemployed which hitherto they have given. I cannot see how this government can much longer avoid accepting the responsibility which the municipalities have urged we should assume. In fact we had the warning from the responsible heads of these municipal bodies that unless the government did come to the rescue it would be only a matter of time before there would be riots in our cities.

Looking at the economic situation in a larger way may I point out two very great changes which have taken place in comparatively recent years. The first is that to which the Prime Minister himself in his radio addresses called attention, namely, that we have no longer an open market. Free competition, with the amount of natural regulation which it entailed, has been swept away, and we find a certain measure of planned regulation or monopoly. For me that is the challenge which meets the Liberal party with its older Liberal traditions. I know that sometimes the leader of the opposition protests that he does not cling to the laissez-faire policy, but if he does not I say he has no right to call himself a Liberal of the old school. That is essentially the traditional policy of Liberalism, and one which I maintain is altogether inadequate to meet the situation now facing us. Undoubtedly the open market, with all that is involved by way of free competition in that market, has gone; for that reason I believe the government is quite right in feeling its way towards greater regulation and planning. I take it that whatever government may be in power in the future will have to adopt a program of regulation.

There is another development in the economic world however which the Prime Minister did not stress, namely, the passing of world markets. Years ago when his party was seeking power the Prime Minister, as is well remembered, said that he would blast his way into the markets of the world. A year or so ago he returned from Europe a sadder and wiser man, because his message was practically this, "There are no markets." That, it seems to me, is about the truest statement the Prime Minister ever made, and one which is not fully recognized either by his followers or by hon. members of the official opposition. In view of the economic developments which have taken place in recent years I do not believe we can ever hope to have the expanding markets the world once enjoyed. Nearly all the leading countries of the world have adopted the capitalist system, producing not only for their immediate needs but to supply external markets. Those countries which were once our customers are now our competitors; that is a chronic situation. Under these circumstances it seems to me that we will have to revise our whole national economy. Those people who to-day talk about securing markets or rebuilding external trade fail to realize the very great economic changes which have taken place in our own day.

The budget it seems to me is quite in line with the so-called reform legislation which we have had this year, that is to say it is wholly inadequate; in fact, it is a bitter disappointment. In his radio speeches the Prime Minister divided all the recipients of income into two classes, the non-producers on the one hand, the people living on their investments, and the producers or workers on the other hand, the people living as the result of their labour. He suggested there was inequality in the incomes received by the producers and the non-producers. He suggested, further, that taxation might be used in order to redistribute the national income and to secure a greater measure of equality between these two groups. Let me read a paragraph from the Prime Minister's second radio speech:

> I think there is from all worth while points of view an inequality in the distribution of income; and I think, as between the non-producer and the producer, there must be devised, by some plan of taxation to be considered at once, a better balance, not only in fairness to the producer but also in the interests of the non-producer.

And again:

> It is both uneconomic and unfair to trespass, at least farther than we have already, upon the non-producer's income which is only sufficient to maintain the possessor of it in the ordinary necessities and comforts of life. Incomes which are much in excess of this properly irreducible minimum are subject to another rule.

May I say parenthetically that the great majority of the people of Canada are not receiving incomes sufficient to enable them to obtain the ordinary necessities and comforts of life. However, that was the Prime Minister's proposal in the radio addresses. Those addresses have gone far and wide, but how does the Prime Minister now implement the suggestions made in those addresses? He or the Finance minister brings down a provision for a surtax on large incomes. I need not read the table, but the surtax in the case of incomes over $5,000 but not exceeding $10,000 is two per cent, and from $10,000 to $14,000 three per cent, and so on up to incomes of $200,000 which pay a surtax of ten per cent. These sliding scales or percentages may look all very well on paper. It is quite true that the man with a large income pays a larger surtax than the man with a small income. But

this is really a delusion, Mr. Speaker, if it is meant to be an equalization of income. A man getting an income of $200,000 may pay $20,000 in surtax, but what is a tax of $20,000 on $200,000? It still leaves him $180,000.

Mr. RHODES: If my hon. friend will permit me, his statement is not accurate, because he is dealing only with the surtax.

Mr. WOODSWORTH: Quite so. That is what I said.

Mr. RHODES: But the hon. gentleman said that he had left $180,000, which is not correct. Actually it is a very heavy tax.

Mr. WOODSWORTH: Of course, he has to pay the regular income tax, but $180,000 is the actual amount he has left to be taxed with the ordinary tax.

Mr. RHODES: No, Mr. Chairman, that has no reference to it.

Mr. WOODSWORTH: The surtax, if I understand it, means a tax over and above the regular income tax.

Mr. RHODES: Yes, quite so, but its measure is not upon the tax already paid but upon unearned income or upon a stated salary.

Mr. WOODSWORTH: That is quite right, and that is what I am trying to say. Using the Minister's own words would make my case all the stronger, for he points out that this is unearned income. That is what I want to impress upon the house, and the payer of that tax has a very substantial amount left.

Mr. RHODES: But not $180,000.

Mr. WOODSWORTH: No.

Mr. RHODES: Quite so.

Mr. WOODSWORTH: My point is this. These sliding scales may look all very well on paper, but what we ought to look at is not the amount paid but the amount that is left after the ordinary tax and the surtax have been paid. That is what I want to impress upon the house. I think I gave several years ago to the house this illustration which I saw in a cartoon I think published in an English paper. It showed a long ladder reaching from high up in the sky down into a deep pit filled with water, and the various classes of income tax payers were hanging on to different rungs of the ladder. The Minister of Finance comes along and says, "We want equality of sacrifice. Everybody one step down." One step down for the man high up on the ladder does not amount to very much, but for the man near the bottom it means that he is plunged into misery or oblivion.

The Minister of Finance in his surtax has improved a little bit on that procedure because he has arranged that the different classes move down a fraction of a rung, but the principle is there still the same. I would submit that we have to reconsider the whole question of unearned incomes. In Canada to-day incomes bear no relation whatever to the real service given to the community by the receiver of the income. Many of the great fortunes in this country were made during the war. Had we had a proper system of finance then, it would not have been possible to make those fortunes, or had we had a proper system of taxation it would not have been possible to make those fortunes. Some of them were made by plain graft, for it can be called nothing else, and others were made because of special privilege. There is no doubt of that. The great fortunes in this country have not been made, to use a phrase that has been used in this house before, by the sweat of one's brow. The great fortunes in this country have been made because certain people were granted special privileges. Yes, and as my hon. friend from Bow River (Mr. Garland) suggests, some have been made by financial chicanery, but I am leaving out the fortunes that were made by doubtful means. The very best you can say in regard to any of them is that they were made by special privilege, and it is the business of this house to see that there is some sort of equality among the various classes in the community. I take it that that is what was in the mind of the Prime Minister when he made those radio speeches, and if that was not in his mind there was no sense in making those speeches.

What are the means by which we can bring about that equality? One means by which we can atone for the mistakes of the past is by some sort of equalization of income, and instead of taking off $20,000 more or less from an income of $200,000 we might very well take everything above ten or twenty or thirty or forty or fifty thousand dollars, and put it into the treasury. Beginning with a tax of two per cent on $5,000 we might have a tax of one per cent on each additional thousand, so that it would not be very long before you got to the point where the income receiver would have nothing left above a reasonable amount. That surely is the position to which we ought to come in this country. Somebody laughs. I quite admit that the old idea has

been, each for himself, and I suppose it worked fairly well when each had a fair chance, but there is nothing particularly sportsmanlike in giving one man tremendous privileges and putting others under a severe handicap. That is the position we have to-day, and it is this house that makes the rules. There is no doubt about that whatever.

I noticed in the Evening Citizen of March 23 the statement made by Mr. C. Fraser Elliott, the dominion commissioner of income tax, that dividends paid in Canada during 1934 reached a total of approximately $350,000,000 as compared with $150,000,000 for the previous year. That is, the arrangements in this country for which this parliament is responsible have enabled the dividend receivers of Canada to obtain $200,000,000 more in the past year than in the year before. Now I cannot think that that is a matter for congratulation so far as the country at large is concerned. If everyone was benefiting in this way, we might think it was a very happy condition, but everyone is not benefiting in this way.

Recently I had occasion to make a study, with the help of some friends, of some of the statistical information supplied by the Year Book and from the census. If the income tax returns are combined with the figures of earnings it is possible to show the distribution of income among a very large section of the population. I may say that we were not able to secure any information as to the distribution of farm incomes. But leaving out farm income, we have some 2,713,000 wage earners and other income receivers for whom it is possible to estimate the distribution of income for the year 1930-31. I have before me a table which gives the distribution of the number of income receivers, other than agricultural, and their income in Canada for the year 1930-31. This is a short table, and with the permission of the house I will place it on Hansard in its present form. It reads:

Table 3.—Estimated Distribution of Number of Income Receivers (other than agricultural) and their Income, Canada, 1930-1931

Size of Income	Number of persons (Male and female)	Per cent of total	Income (millions of dollars)	Per cent of total income
Under—$ 1,000	1,526,000	56.2	790.0	25.4
$ 1,000— 1,500	643,000	23.7	805.0	25.9
1,500— 3,000	448,000	16.5	896.0	28.8
3,000— 10,000	85,000	3.2	401.0	12.9
10,000—and over	11,000	0.4	219.0	7.0
Totals	2,713,000	100.0	3,111.0	100.0

From this table it will be seen that 56·2 per cent of the income receivers, both males and females, receive less than $1,000 per year. The total earnings of these workers constitute only one-quarter of the total income of all persons, although they form more than half of the aggregate number. Slightly less than one-quarter of the workers have incomes between $1,000 and $1,500, and the aggregate incomes of these persons are a little more than one-quarter of the total. The two groups receiving less than $1,500 per year thus form approximately 80 per cent of the total number, yet they received only a little more than half of the total income. The other 20 per cent of the income receivers, those getting more than $1,500 per year, secured almost half of the total income. The group with the highest incomes, those getting more than $10,000, was composed of only 11,000 individuals, and yet this small group received an aggregate income equal to that of more than 400,000 of the poorest paid workers.

According to this statement, the great majority of the income receivers, that is, 1,526,000, receive less than $1,000 per year. I would point out that the family budget as published by the Dominion Department of Labour provides for $800 for food and housing for a family. On that basis a family would need an annual income of from $1,200 to $1,500 to meet the requirements for a decent standard of living but according to the statistics of the government the vast majority of the people of this country are forced to live on a standard below what would be considered as reasonable. There is no need for such things in a country like this possessing such great resources and splendid equipment. I think I did it earlier in the session, but I should like again to place before the house a statement taken from a national survey of potential product capacity made for the federal government of the United States. This report was prepared by some sixty technicians who worked for a period of seven

months. According to their report it is quite possible with the present equipment in the United States for each family to have the equivalent of an income of $4,400 per year. No thought was taken of new inventions or new methods, they were dealing only with the present resources and equipment, which if properly organized would provide that income for each family. Similar conditions exist in Canada. So under a proper system Canadian families might receive an income of upward of $4,000 yet we have seen that the great majority of families have an income of less than $1,000. As long as this is true I cannot accept the policy of the government as satisfactory.

I should like to direct the attention of the house to the physical conditions under which so many of our population are forced to exist. Not long ago I received a copy of the report of the Lieutenant Governor's committee on housing conditions in Toronto, 1934. I think it would pay every hon. member to obtain a copy of this report in order that he might understand the serious conditions which exist in one of the wealthiest of our Canadian cities. Let me turn for a moment to the east, to Montreal, the largest of our Canadian cities. In the Gazette of January 29, I find a report of General C. E. McCuaig, given before the emergency unemployment relief committee and the Protestant employment bureau which met at the Mount Royal hotel. This report reads:

> There is for instance, within what is actually a stone's throw from the centre of our shopping district, a block of dwellings built on a back lot and closely surrounded by other buildings. It contains 19 four-room apartments with but three baths between them in which dwell no less than 148 persons, a concentration equal to 1,400 persons to an acre. In one of these apartments of four rooms there are 13 persons living; in another, 12; in another, 10; in two, nine persons, and in the others from four to eight persons.

Another paragraph reads:

> Close to Sherbrooke street is a complete block of dilapidated dwellings with sagging walls and floors. Bad sanitary conditions, dampness, leaking roofs, vermin, in fact many conditions exist in this block any one of which should render it unsatisfactory as a dwelling place. Yet in it are crowded men, women and children, three and four to the room. In one five-room apartment there is a family of two parents and seven children, five of whom have been hospital cases this year and another is now suffering from pleurisy.
>
> Families live in basements below the street level under cold and damp conditions. Old houses in the centre of the city have been converted by means of thin boards into apartments with as many as twenty people of four, five and six families sharing one community bathroom, sometimes without a bath. These conditions exist within our city and despite our city and provincial laws. They are a challenge to our civic pride, not only through their effect upon the health and morals of those who are forced to live in them but as centres from which pestilence and vice may easily breed, to spread to your home and mine.

That is a challenge, not merely to that city and province but to the whole of this dominion. From this corner we have repeatedly urged that instead of providing a dole such as is done, we should have some definite construction work which would eliminate such conditions. We should at the same time provide the people with real work and higher living standards. There is no indication whatever in this budget that any far-reaching program of that kind is to be undertaken.

I should like to crave the indulgence of the house while I read a letter from the local council of women of Calgary, dated March 20, 1935. I have referred to conditions existing in the east but I should like to turn now to the west and listen to the voice of the women. This letter comes from the home city of the Prime Minister and it gives a careful analysis of the conditions existing there. It reads:

> Dear Mr. Woodsworth:
>
> As a result of tragic events an emergency meeting of the local council of women of Calgary was called yesterday and the following analysis of the situation is hereby submitted to you for the earnest consideration of yourself and your colleagues.
>
> Within a period of two weeks, March 4, and March 15, 1935, two youths, aged twenty and eighteen years, of the city of Calgary, have taken their own lives. Both cases were reported briefly in the local papers as accidents, doubtless with the considerate intention on the part of the press to spare the families avoidable pain. But both cases were stark suicide. How much mental anguish preceded the final tragic acts can only be surmised.
>
> Those who dare to face the facts realize that, in these two cases, self-destruction was the reaction of temperaments sensitive to the impact of intolerable conditions, economic, social and psychological. These conditions today are general and to a greater or less degree are alarmingly affecting the whole generation of our times.
>
> Where does the responsibility lie? We have in Canada an abundance—indeed a glut—of material things. The intelligence quotients and the percentage of literacy of the Canadian people are notably high. We possess able and trained men and women ready and eager to attack and to solve our problems. Does our governmental system make it impossible to intelligently recruit and coordinate the services of able, selfless men and women in the great cause of the public interest?
>
> We bring our children along through childhood and early youth with a highly motivated devotion, in our homes and in our schools. We teach them by implication at least, that life

is sacred, a worth-while and a glorious experience; that the individual is valuable; that to each belongs the privilege and the obligation to make his or her social contribution; that the contribution of each is acceptable so long as it is his or her best.

Our children pass out of childhood. They reach the biological age when it is essential to normal development that they emancipate themselves from the shelter of homes and schools and when the biological urge is strong and suppression is disastrous and dangerous. Under the conditions of to-day these young people are confronted only with frustration and denial. They find themselves—like our vast stores of wheat in a country of hungering people—a cause for public perplexity and embarrassment, simply because they exist.

Everywhere a vast diversity of services is needed to make the lives of our people tolerable, healthy and secure, services which, with an intelligent organization, these young people could be directed to render.

Where does responsibility lie? How many young lives must be partially or wholly blasted before their cry will be heard by those who have accepted responsibility for managing and directing our social system?

We, therefore, unanimously urge that emergency action be taken, while long term plans are evolving, to provide our young people with normal opportunities in life.

Very truly yours,
M. A. Hall,
Corresponding Secretary.

The reading of a long letter like that may not be considered a sign of a good speech, but some of us have reached the point where we are more interested in getting these questions discussed than we are as to the particular quality of our speeches.

I would like to support the amendment of the hon. member for Macleod (Mr. Coote). It seems to me that we have in this country abundance to provide for the needs of all our people and to meet such conditions as are outlined in the letter I have read from the women of Calgary. Canada is not a poor country; she is as wealthy as she ever was, wealthy as she was in the boom times. The real wealth is all here. The trouble is that the wealth is not available for the people. We in this corner of the house have tried again and again to show some of the reasons why that wealth is not available. The fact of our abundant wealth cannot be doubted or controverted by anyone. Let me put the case very simply: we have piles of leather that frequently are rotting on the farm because the farmer cannot receive anything worth while if he takes the hides to market. We have the machinery that is capable of transforming that leather into boots, but the machinery is rusting through disuse. We have over yonder large numbers of people, even boys and girls, who are going with poor shoes. Why cannot that leather be put into that machinery and made available in the form of boots for the needs of the people? That exemplifies the real situation existing to-day in every department of our economic life. We may put it in more general terms than that, but that illustration may suffice to drive home the case. We have reached the point when we shall have to regard the great resources and equipment of this country as essentially the property of the Canadian people to be administered in supplying the needs of the masses.

Mr. J. A. FRASER (Cariboo): I should like to add my words of commendation to the excellent effort of the Minister of Finance (Mr. Rhodes) in presenting the annual budget. It cannot be questioned that the budget is a story of definite and unmistakable progress, and I think the people of this country will realize that a budget which shows such definite and unmistakable progress is entitled to some measure of commendation.

Before I proceed with the remarks I have to make, I would like to spend just one minute on the observations of the previous speaker, the hon. member for Winnipeg North Centre (Mr. Woodsworth). As the leader of a party in Canada who is submitting his proposals to the people for their approval in the approaching general election, he says that the government has no program that is adequate to meet existing conditions. He makes that statement definitely and he spoke for forty minutes. I want any hon. member to point out to me any one proposal he mentioned that would cure the situation that we have at the present time, or that would improve it in any shape of form. Let me go further: I have listened in this house and in the country to the remarks of hon. gentlemen who sit in the extreme left corner and who call themselves the Co-operative Commonwealth Federation, and I fail to find in anything I have ever heard them say where they have any policy of any kind to submit to the people that will improve conditions in this dominion. What remedies does he offer? The last remark he made was: Why cannot the leather be put into the machines and passed on to the boys in the shape of pairs of boots? Can he show us the way to do that sort of thing?

Mr. WOODSWORTH: Yes.

Mr. FRASER (Cariboo): Did he attempt in any shape or form to show this house how that could be done?

Mr. GARLAND (Bow River): Yes, often.

Mr. FRASER (Cariboo): Well, we have not heard it.

An hon. MEMBER: Where has the hon. member been?

Mr. FRASER (Cariboo): Perhaps I was one of those who were asleep the other day according to what the financial critic of the opposition said, but upon my word anything that I have ever listened to from the Co-operative Commonwealth Federation group in the extreme left corner in the way of proposals to improve conditions in this country will not have effect in that regard.

Mr. GARLAND (Bow River): Did the hon. gentleman ever hear the quotation: "There are none so blind as those who will not see"?

Mr. FRASER (Cariboo): Well, I am getting pretty well on in years, but I have a little eyesight left yet. I have spent a little longer than a minute and I do not want to take any more time with this, because after all they do not and they never will amount to anything, for there is not a practical suggestion they have ever made in this house or outside and I do not think they have a practical idea in their heads from one end of the group to the other.

I said that the budget was a story of definite and unmistakable progress. That is confirmed by our own bureau of statistics which indicates that the physical volume of business is up by 48·5 per cent as compared with what it was at the low point. That is some advance. We are getting along fairly well. In addition to that an outside authority, the League of Nations, says that Canada leads all the nations of the world, with its index figure of 46·2 per cent. If we are to be blamed for going down surely we must get some credit when we commence to go up. I think there is a great deal of credit coming to the government for the policies they have pursued. The improvement has been the result of the intelligent action of this government. Let me point out some of the signs of improvement in this country. Take the export of lumber. Our lumber exports last year were at the all time peak.

Mr. MUNN: Would the hon. member permit a question? He speaks of the all time record, does he refer to world shipments or United Kingdom shipments?

Mr. FRASER (Cariboo): All exports.

Mr. MUNN: World shipments?

Mr. FRASER (Cariboo): Export shipments, yes, I did not confine it to the United Kingdom.

Mr. MUNN: Well, that is different.

[Mr. J. A. Fraser.]

Mr. FRASER (Cariboo): It is not different from what I intended to say. As a result of the shipment of that lumber there came into this country a sum of $278,000,000 of new money. The export of a great deal of that lumber is a direct result of the policies of the present government, and I think the people of British Columbia particularly, and my good friend who is an operator out there appreciate that fact. I would not be surprised to find my hon. friend voting for this government next session; he cannot help himself.

Mr. MACKENZIE (Vancouver): For the government, but not for this government.

Mr. FRASER (Cariboo): He will be voting for us, and it would be a good thing if other hon. members would use a little common sense and do the same.

Then the next thing is wheat; the value of the wheat crop is up 33 per cent. The value of the field crops of Canada is up 16·7 per cent. Live stock prices are up, and so it is all along the line. For the information of the house I should like to read a record which I have just got of live stock prices during last year:

Cattle and Calves

Stockyard sales of cattle were 700,817 head, against 604,077 in 1933. Calf sales were 371,110, against 317,110 in 1933.

The weighted average price of all cattle combined, for all stockyards combined, was $3.10 per hundredweight, against $3 in 1933. Calves —$4.10, against $3.75 in 1933.

Good to choice butcher steers averaged $4.85 per hundredweight at Toronto and $4.40 at Winnipeg.

The total value of stockyard sales of cattle in 1934 (estimated) was $21,015,336, against $17,575,996. Calves—$2,815,638, against $2.914,876 in 1933.

Exports of cattle to the United Kingdom were 53,852 head, against 50,317 in 1933.

Exports of beef to all points were 15,092,200 pounds, against 10,007,700 pounds in 1933.

Hogs

Sales at yards and plant were 3,038,155 head, against 3,172,980 in 1933.

Average price of select bacon hogs—$9.10 at Toronto and $8.12 at Winnipeg, against $6.17 and $5.36 respectively in 1933.

Average weighted price of all hogs at al. yards combined—$7.70, against $5 in 1933 (includes all grades and weights).

Stockyard value — $14,950,000, against $10,352,544 in 1933.

Exports of bacon—119,707,600 pounds, against 71,524,700 pounds in 1933. Value—$18,754,113, against $8,071,803 in 1933.

But still we hear hon. members talking about lack of results, nothing definite received by this country as a result of the Ottawa agreements. Then we have sheep and lambs. Here is a remarkable showing:

Slaughterings—852,222 head, against 868,679 in 1933.

Average prices at stockyards, $5.60, against $5.35 in 1933, for all grades.

Average price for good handyweight lambs at Toronto $7.17 and at Winnipeg $4.75. Toronto price range $4 to $12, Winnipeg's $2 to $10.50.

Exports practically nil. Listen to this, those of you who remember how much mutton we used to import from New Zealand not long ago; Canada is now on a self-supporting basis as far as mutton and lamb are concerned. Some record, I say.

The next thing to which I have to direct the attention of the house is the improvement in the fruit and vegetable markets. They have been steadied by the intelligent application of the dumping and exchange duties and things of that kind, not the harebrained application that prevailed during the time of my hon. friends opposite. As a result of the proper application of tariff measures of one kind and another there were imported into Canada last year 700 carloads less of apples than in 1930. Would any hon. member tell me that the fruit growers of the Okanagan or of any fruit-growing district throughout Canada do not realize what that means to them? That is all a result of a little good judgment, of knowing how to apply the tariffs intelligently so as to get major benefits from their application.

Mineral production was very close to its all time peak, I think in the neighbourhood of $278,000,000, but I shall have something more to say about that in a minute.

Since the low point of the depression in 1933, 340,000 people have been put to work. Then I turn to some financial measures, for instance, the establishment of the Bank of Canada, a major operation I should say, one which will have a very material effect on the commercial and industrial life of this country. Bank interest rates are down. That is because the government applied pressure to the banks. Heretofore the situation was that we had on the statute books an act that provided for a maximum interest rate of 7 per cent, but there was no penalty provided and the consequence was that that provision was flagrantly violated. Now, severe penalties are imposed for evasion of the statute in any form. Since 1933, this government has converted $1,100,000,000 of outstanding debt to lower rates of interest with a resulting saving of $14,600,000 in interest charges. That is an accomplishment, something for which this government certainly should get credit. In these days we hear a great deal of talk by irresponsible people with regard to the reduction of interest rates, but the government of this country has been carrying on quietly, going its way from day to day, discharging its ordinary duties and doing something concrete to improve conditions in that way. People who had money to loan were encouraged to charge these high rates of interest during the tenure of office of hon. gentlemen opposite.

Then we have increased car loadings on both railways, together with an improvement in their earnings. The government also provided assistance for the agriculturists of this country. Last session we passed the Natural Products Marketing Act. I need not say anything about that at the present time, because it is only commencing to operate, but I venture to say that when full advantage is taken of the provisions of that act it will mean a great deal to the agricultural communities of this country. We also passed the Farmers' Creditors Arrangement Act, the value of which to the farmers of Canada it is difficult to estimate at the present time. But when you look at the farm mortgage debt of this country you can imagine the benefit that is going to accrue from that act. We also amended the Farm Loan Act, under which credit is to be advanced to those farmers who are in need of long term money. And mark this, Mr. Speaker; the former government provided an amount of only $10,000,000 under this act. They did not want to get their feet very wet, but we have increased that amount to $90,000,000, and we are not afraid that the agricultural communities of this country will misuse that amount of money. Last year we also provided for a public works program amounting to $40,000,000 of which $8,000,000 has been expended already, with the remainder to be spent during the present year, and this is such a reasonable and businesslike government that I am very hopeful that we will have an additional amount provided before the end of this session.

In addition to all this we have the assistance that has been extended by the central government to the provinces and municipalities that found themselves in difficulties. I am not going into this matter to any great extent, but I should like to note what has been done for the province of British Columbia, from which I come. On March 28 the net loans outstanding to the province of British Columbia amounted to $15,014,234. The total cash given British Columbia for relief amounted to $14,158,837, while $3,643,682 had been spent on relief camps in that province. In addition $352,987 had been expended in connection with the national parks and public works contruction relief program. And I do

not think for a moment that British Columbia has been treated any better than any other province that was in necessitous circumstances.

Then we have the outstanding feature, so far as I am concerned, of the whole relief program; that is, the assistance that has been extended in the drought stricken areas of Saskatchewan. For a considerable period of time we took care of practically 300,000 people in that area, and at present I believe something like half that number are still being supported by the government. That is a national responsibility; these people have suffered calamity and they are entitled to the support they are receiving. We only hope that in a very short time conditions will be such that they will be able to take care of themselves. As nearly as I can figure it out, and I may be wrong, the total amount spent by the government in connection with relief is about $175,000,000, but the demand for relief seems to be worse at present than it has been in the past. I do not understand why that should be so. With improved conditions and with the assistance that has been extended to the provinces and municipalities I do not understand why we do not see some improvement in general conditions, but apparently, from what has taken place in Montreal during the past few days, these people in the provinces and municipalities seem to have thrown up their hands entirely and said they could not go on any longer. I cannot see that angle at all. I think they should have a little more courage; with all due deference to those gentlemen I think if they put a little more effort into their work of taking care of local matters of this kind they would not have to call on the federal government so much.

I think all hon. members will remember what happened in 1932 when the house was considering the Ottawa agreements. The opposition claimed that we were ruining our foreign trade. They said we were not going to have any more foreign trade, that no one would do business with us. Since that time, however, we have gone on and made trade treaties with foreign countries to the advantage of both this country and those foreign countries. We have done just as the Liberals did when they were in office, except that we have made better and more equitable trade arrangements which will stand up under any sort of criticism they have to offer. The most astonishing feature of the whole situation is that when these treaties come up in the house for review we do not hear any opposition to them. Hon. gentlemen opposite know they cannot be criticised.

Mr. MUNN: Did you make any treaties with our nearest neighbour, the United States?

[Mr. J. A. Fraser.]

Mr. FRASER (Cariboo): I shall have a word to say about that in a moment, if my hon. friend will be patient. We have entered into trade agreements with France, Poland, Germany, Austria and Brazil, and the other day we were told that treaties are pending with two other important foreign countries. I do not know whether or not the United States is one of those countries, but we all know that negotiations with that country are under way at the present time. Hon. gentlemen opposite seem rather afraid that we may be rather successful in making a good treaty with that country.

Mr. MUNN: No, I am all for it.

Mr. FRASER (Cariboo): Certainly my hon. friend is all for it. He will be all for it after we pass it, too; he will not have a word to say about it, but just the same he will go out in the country and say this government is no good.

Mr. MUNN: They will leave it to the next government.

Mr. FRASER (Cariboo): The next government wil be all right, too.

Now I should like to say a few words in regard to tariff matters, and I should like my hon. friend from Vancouver Centre (Mr. Mackenzie) to put down his newspaper and listen to me for a moment. He is the chap who talked about the ramparts of ruin that were thrown around this country by this government, and I want to tell him something if he will listen for a moment. To listen to hon. gentlemen opposite one would think this government had imposed unbearable taxation on the people due to the application of excessive duties. He spoke about the duty collected per capita. Hon. members could get this information themselves. I think this fellow, this hon. member, is pretty intelligent, and the other day when he made his ramparts-of-ruin speech he must have known the facts. In 1911 after fifteen years—or somethink like that—of Liberal government they collected from the people of Canada per capita in tariff duties $10.17, and in 1934, after this government had raised the ramparts of ruin, the collection was only $6.75. There are your ramparts of ruin! Those figures indicate the exaggeration which hon. members opposite have to use in order to make any case at all.

Mr. MACKENZIE (Vancouver): We have no trade; that is why.

Mr. FRASER (Cariboo): In 1911 the per capita taxation, so far as the tariff was concerned, amounted to $10.17, and in 1921 it

had risen to $19.89. Mark this, from 1921 to 1930, the party opposite was in power—this low tariff party, the party which is going to reduce the tariff every time it comes into office, and the party which promises to remove oppressive taxation from the shoulders of the poor people of Canada. In 1930, after nine years of office they had reduced the per capita taxation, so far as the tariff is concerned, from $19.89 to $19.50. In other words they reduced the figure by 39 cents in ten years. That is some record! And mark this, while in 1930 the per capita tariff taxation was $19.50, in 1931 after we had raised the ramparts of ruin it was $14.37.

Mr. MACKENZIE (Vancouver): Trade went down.

Mr. FRASER (Cariboo): In 1932 it was further reduced to $10.85; in 1933 to $7.23 and in 1934 $6.75.

Mr. MACKENZIE (Vancouver): Slipping all the time; trade going down.

Mr. FRASER (Cariboo): How does it sound? Then, another gem from the observations of the hon. member for Vancouver Centre; I mean his reference to the greatest example of tariff raising in our history. I have given the record—from $19.50 down to $6.75.

I am not through with the hon. gentleman. Let us turn to the average rate of duty, another very interesting study. I shall not go into many details, but shall be content to go back to the year 1921. In 1921 the average rate of duty on total imports stood at 14·1 per cent. In 1930, with a low tariff government in power it was 15·9 per cent. That indicates an increase of 1·8 per cent, if my mathematical calculation is correct. In 1931 it had gone up to 16·4 per cent, an increase of ·5 per cent. In 1932 it went up to 19·7 per cent; in 1933 it went down to 19 per cent and in 1934 it stood at 16·9 per cent. The ramparts of ruin which we have raised around this country between the years 1930 and 1934 are, so far as rates of duty are concerned, exactly one per cent. The increase has been from 15·9 per cent to 16·9 per cent.

Another factor which has something to do with export and import trade, and a difficulty which this government tried to correct by way of the Ottawa agreements, is that of deflecting our excessive exports and imports—or, only imports, if you like—from the United States to a country more friendly to us in a trading way. In 1921 the percentage of total imports from the United Kingdom stood at 17·3 per cent. In 1931 the percentage had been reduced to 16·5 per cent, and in 1934 as a result of the Ottawa agreements, and for no other reason, the proportion had increased to 24·2 per cent. Our exports too had increased. In 1921 we exported to the United Kingdom 26·3 per cent of our total exports, in 1931, 27·2 per cent and last year 39·3 per cent.

We have heard a great deal about the duty against imports from the United Kingdom and the excessive rates of duty we have levied on textiles particularly. The total rates of duty levied are as follows: In 1930 we imposed a rate of 20·5 per cent; in 1931 19·6 per cent, while in 1932 the rate was 20·5 per cent, an increase of a little more than one per cent. Then in 1933 the percentage decreased to 18·6, while last year it was back to 20·5. Notwithstanding all the hot air we have heard about the increase of duty on goods from the United Kingdom the fact is that we have reduced the rate by nine-tenths of one per cent on the total imports.

In all reasonableness why should the financial critic of the opposition say that the tariff policy of this government has been futile when that policy has been the means of increasing our trade? We are not substantially increasing restrictions on trade. If I understand the signs of the times we propose from time to time to reduce duties. We are not going around the country telling people that we are going to reduce them and then, upon taking office, failing to carry out our promises. We say before we take office, "We are going to impose a reasonable and a fair tariff," and when we take office we impose that reasonable and fair tariff.

I do not see why the financial critic should say that these tariff policies are futile when they are increasing our trade. They are improving the position not only of Canada but of the old country and they are hurting no person. Then we have the criticism that the Prime Minister did not blast his way into the markets of the world. The statement is made that he promised to make tariffs fight for Canada. I think he has been doing just that very thing; I do not know what else one could call it. If one were to study the situation and if he were to take the trade returns received from time to time he must conclude that for some reason or another from day to day the trade of Canada is increasing. Of course, being a good supporter of the government I say the government should receive the benefit for that increase in trade.

Mr. POULIOT: The Prime Minister was K.O'd in that prize fight, and he still thinks he is O.K.

Mr. FRASER (Cariboo): Now I come to a subject which is of greater concern to the province of British Columbia than are matters which have to do with agriculture. I refer to the mining industry, and in this connection I shall try not to take up too much time of the house. I believe the mines of Canada furnish one of the most important natural resources we have, resources capable of vast expansion. If cared for they will add very materially to the progress and prosperity of the dominion. The production in 1934 was very close to the all time peak of production in Canada. We produced minerals in Canada last year to the value of $278,337,000, and that was up twenty-five per cent from the preceding year.

Now for the place that Canada occupies in the mining world. In the production of asbestos and nickel Canada stands in first place in the world. Canada stands second place in the world in the production of platinum, cobalt and radium. Canada stands third place in the world in the production of gold and copper, and Canada stands fourth place in the world in the production of lead and zinc. There is another factor which I should like to bring to the attention of the house, and that is that Canada produces more nickel than any other country, and probably more than is produced by all the rest of the world put together.

Now to come to British Columbia, in order to show that the mining industry in British Columbia is feeling some of the benefits of the policy of this government, I want to put on the record the production in our province.

Mr. MACKENZIE (Vancouver): Do you include the gold tax as a beneficent policy?

Mr. FRASER (Cariboo): I thought we fixed that gold tax.

Mr. MACKENZIE (Vancouver): I am glad you did.

Mr. FRASER (Cariboo): I think we will have to take some measures to fix you.

The mineral production in British Columbia in 1934 amounted to 307,700 ounces of gold and by the way let me remind my hon. friend from Vancouver Centre that the government did not impose a tax on placer mines, and placer gold mining is the principal industry in Cariboo. British Columbia, as I say, produced 307,700 ounces of gold in 1934, valued at $10,480,000, and prior to 1933 British Columbia had never produced over $6,000,000 in gold in any one year. In that same year, 1934, British Columbia produced 8,907,000 ounces of silver valued at $4,197,800; 340,700,000 pounds of lead valued at $8,313,080, and 49,400,000 pounds of copper valued at $3,566,630.

Let me give one other item with respect to the mining industry in Canada before I deal further with the province of British Columbia.

There are in operation in Canada at the present time seventy-three metallurgical mills reducing the ores of this country and extracting from them valuable metals. Of this number thirty-one are in Ontario, twenty-one in British Columbia, nine in Quebec, eight in Nova Scotia and four in Manitoba. Here is a remarkable thing, and I wish hon. members would take note of it and think over it for a few days and see what they feel about it. In all the seventy-three mills that are in operation in Canada at the present time the metallurgical processes in operation in each and every one of them have been passed on by the Department of Mines in the city of Ottawa. You have in the city of Ottawa to-day one of the most up to date and one of the most efficient mining departments that you can find anywhere in the world, and I think this government is to be congratulated on the efficiency of the staff which they have been able to secure to direct and experiment in connection with the mines of the Dominion of Canada. In British Columbia in January, 1933, we had eight of these mills in operation; at the end of 1934 there were seventeen, and at the present time there are twenty-one.

Just to give the house some idea of some of the mines we have out there in British Columbia let me call attention to the record of the Pioneer mine. The Pioneer mine in 1934 produced $3,045,000 in gold. It has produced altogether $7,957,800 in gold. It has paid in dividends $2,940,540. The Pioneer mine employs three hundred men and supports six hundred persons. Its milling capacity is 400 tons per day. In 1924 this property changed hands for $8,000. To-day its estimated value is $21,000,000. Listen to this, you speculators!

Mr. CASGRAIN: What about the government?

Mr. FRASER (Cariboo): Order, Mr. Speaker, please. Listen to this. An investment of $100 in the Pioneer mine in 1925 is now worth $265,500.

Mr. DUFF: Not enough.

Mr. FRASER (Cariboo): Better than fish. Then the Bralorne mine produced in 1934,

$1,560,000, and its production to date is $2,740,878. Bralorne paid in dividends in 1934, $775,000. It has a milling capacity of 400 tons per day.

Take another mine, Cariboo Gold Quartz. This mine produced in 1934, $470,000 worth of gold, and its total production to date is $700,000. This mine, which began large scale operations only two years ago, has now five miles of underground workings and a capacity of a hundred tons per day.

Other gold mines in the district which I have the honour to represent are Vidette, which milled in 1934, 7,217 tons of ore and produced 3,589 ounces of gold, 7,242 ounces of silver and 9,189 pounds of copper, with a total value of $129,415; the Island Mountain mine, which went into operation early in November and has produced $55,000 in gold—

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. DUFF: Finish your sentence.

Mr. FRASER (Cariboo): Then we have the following mines, all situated in the Cariboo district, Minto mine, Wayside, Taylor, Windpass, Grange Mine, Windfall, and Nicola, and scores of other mines which are only at the present time what you might call prospects.

A most remarkable phenomenon of the depression has been the implicit confidence that has been shown in gold all over the world. Wherever possible people converted their resources into currencies whose convertibility into gold seemed secure, and, when this convertibility was in doubt, into gold itself. Nobody has shown any reluctance to accept gold in settlement of debts. The demand for gold always seems to be greater than the supply. Governments, bankers and bullion merchants are ready to take all offerings. There seems to be no let up in the demand. Every gold mining engineer can now get employment. Prospectors range in every conceivable quarter of Canada, wherever traces of gold are indicated. Higher prices of gold caused the producing companies to tackle low grade possibilities. The total output of gold has not risen appreciably, but the life of existing mines has been considerably extended. Let me say in that connection that the rise in the price of gold has made it possible for these low grade mines to continue and extend their operations. I do not know of any one factor in this country which could add so much to the stability of the country as the extension of that gold mining, because this is the history of gold mining in my own district: The gold was first discovered and attracted people there. A large number of people came in to mine the gold; some of them were not successful and were attracted to the fertile areas of land in the district. They proceeded to clear those lands, and when the mines were worked out the lands were still producing. That is the history of gold in every part of the world. Wherever you find a gold mine you have a valuable asset for a little time, a wasting asset, but alongside it you will find valuable natural resources and land which will continue to produce for all time.

I have not said one-half, Mr. Speaker, of what I had intended to say; I have only got started, and I think you must have cut me off a little short.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, perhaps I may be permitted to omit the preliminaries. At the present time there is an uncertainty in the conducting of business affairs, there is hesitancy on the part of business men to make commitments; war clouds are hanging over Europe, and for these reasons I am of the opinion that the people of this country want a general election at the earliest possible moment. I believe that a parliament fresh from the people would restore confidence and be able to deal more adequately with the great problems which are presenting themselves.

The Minister of Finance (Mr. Rhodes) pointed out in his budget that there has been an improvement in business conditions in Canada. He told us of the mounting revenues, the increase in transportation and production, at which we on this side of the house rejoice. As good Canadians we are glad to know that these changes have occurred, but we should also remember that the Prime Minister (Mr. Bennett) has said that the signs are few and uncertain. We should remember also that the mayors of the various cities of Canada came here last night and the message they presented was not one of optimism, but rather one of doubt and pessimism. We must remember also that at the present time we have a great problem of unemployment, there being more than 1,000,000 people on direct relief. We cannot expect that the line marking the upward trend of business will go uniformly or continuously upward without there being dips and depressions. We must realize that some of the great basic problems have not yet been solved.

If the farmers of the country are prosperous the retail merchants, the wholesalers, the transportation companies and the bankers will share in that prosperity. Forty-six per cent of the people of this country are employed on

farms, and we find that many of them are either in bankruptcy or rapidly heading toward that state. In 1928 the average farm income was $1,600, but in 1933 it had dropped to $640. The farmer may not be the forgotten man but I think he is the submerged man. He is submerged in a sea of debt, charges, taxes and tariffs. He is helpless against the high prices which he must pay for the things he needs and the low prices which he receives for the things he produces. He has been discouraged by crop failures and lack of feed and seed, and has no credit. He has been producing products which he has been forced to sell at a price below the cost of production. It costs 65 to 68 cents to produce a bushel of wheat but he has been forced to sell his wheat for 40 to 50 cents a bushel, or even as low as 26 cents per bushel.

Another great industry is cattle raising, and I should like to put on record the costs of production in southern Alberta and southern Saskatchewan. Twenty-five ranches were investigated, each having from 300 to 3,500 head of cattle. The investigation covered a total of 10,000 head of cattle. It was found that it cost $28.13 per head or 7·25 cents per pound to produce calves of an average weight of 388 pounds. Yearlings averaging 710 pounds cost $49.58 per head or 6·98 cents per pound to produce. The cost in the case of two year old steers averaging 1,000 pounds was $64.16 or 6·42 cents per pound; while for three year olds averaging 1,275 pounds the cost was $78.44 or 6·15 cents per pound. These figures were based on a 70 per cent calf crop and 50 acres of range land for each animal. I think the calf percentage is high while the other is low. A study of one ranch which was considered as typical of many ranches in the two provinces showed the following costs:

	Per cwt.
Cows	$6 36
Two year old steers	8 50
Three year old steers	8 00

Mr. MULLINS: Where did the hon. member get those figures?

Mr. GERSHAW: They were compiled at the Manyberries range station.

Mr. MULLINS: That is my old ranch and my costs were never that high.

Mr. GERSHAW: They were compiled by Mr. Hargrave.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GERSHAW: When the house rose at six o'clock I had given some reasons why I thought the Canadian people wanted a general election at the earliest possible moment. I had pointed out that the farm problem and the unemployment problem had not yet been solved and I gave some figures that had been worked out showing costs of production on certain farm commodities. I would like to indicate that at the time those costs were operating, the selling prices of those same products were down very low, the price of meats being down to from one and one-half to three and one-half cents per pound. We have been told that a reciprocity agreement with the United States may be consummated in the near future, and I hope when that time comes the live stock industry of western Canada will not be forgotten, because the United States is the natural and usually the most profitable market for our live stock. Even at the present time, when there is a duty of three cents a pound against our cattle going into that country and one and one-half cents for expenses, our products are being sold there. Last year practically all of the 50,000 head of cattle that we exported went into the United States. In the week ending March 7, four carloads of Canadian live cattle sold for eleven cents a pound, while the following were the prices at different points in Canada:

	Per 100 lbs.
Edmonton	$5 75
Prince Albert	4 75
Moose Jaw	6 00
Saskatoon	5 00

Hogs are also bringing a good price in the United States. During the same week they were selling at Buffalo at from $9.90 to $10, while at Toronto the price was $7.25 to $7.75 per hundred pounds.

We have gone and are going through a very serious stage, and it is to the credit of the governments of Canada that while some people have been broken down by worry and some have been undernourished, practically no one in this country has been starved. At the same time I will say without hesitation that there has been a lack of uniformity and an unfairness in the administration of relief in the dominion. The leader of this party (Mr. Mackenzie King) suggested some three or four years ago that an unemployment commission should be set up to look after unemployment for the whole country in the interests of uniformity, and I believe had that suggestion been carried out, money would have

been saved and the relief would have been distributed more evenly. In Canada there are cities in which a sum of $48, $49 or $50 per month is given to a family of five. There are others where $10 or $11 per month is given to a similar family. At other places in the country the prevailing rate for a family is $8 or $10.

The constituency which I represent borders for two hundred miles on Saskatchewan, and year after year I have pointed out to the Minister of Labour (Mr. Gordon) that there was a great difference in the way in which relief was administered in those two adjoining provinces; that whereas it seemed to be fairly easy in Saskatchewan to get relief, yet right across the border where the same climatic conditions prevailed it was extremely difficult for the most deserving to secure relief because of the difference in the manner of administration. Probably there is as much money as ever in Canada, but most certainly that money is not in the hands of the people who need food, clothing and shelter, not in the hands of those who need furniture, equipment and farm machinery, and for that reason the purchasing power of our people is at a very low ebb.

I wish to discuss briefly a few methods by which I think the purchasing power of the country could be improved. First of all I will deal with tariffs. In 1930 the present government seemed to think high tariffs were the panacea for all our troubles, and duties were raised as may be indicated by the following examples:

Commodity—	Increase From Per cent	To Per cent
Cotton print	19	34
Flannelettes	16	33
Agricultural implements	7	25
Blankets	21	50 (nearly)

These high tariffs have not solved our problem and nothing is clearer recognition of that than the course the government has pursued in bringing down this budget. During recent months economists have spoken and written much; there has been chaos and little agreement on anything, but there is one point on which they are all agreed, namely that budgeting for scarcity will not solve our problem. All agree that economic nationalism and high tariffs will not cure the present depression.

The last speaker, the hon. member for Cariboo (Mr. Fraser), said that tariffs would fight for the farmers of this country. I want to give at least one illustration by way of showing the extent to which a class of people are benefiting by high tariffs but dodging their obligations. In 1932 I had the honour of moving in this house a resolution calling upon the government to investigate and support the sugar beet industry in Canada. They were kind enough to send that resolution to a committee and the subject was investigated. The report that was brought in ends thus:

> Your committee further recommends that if no succesful attempt is made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government will take into consideration means to accomplish this end.

Since then we have had hard times. One factory has signified its intention to build another branch in southern Alberta, but the government has taken no steps to enforce the findings of the committee. I claim that in Canada there is much room for the expansion of this industry. In 1933 the consumption of sugar in Canada was 871,590,054 pounds and of that only 131,000,000 was made from home grown raw material. While Great Britain and the United States manufacture around twenty per cent of their requirements from home grown raw material, we in Canada, a strictly agricultural country, make only fifteen per cent. So there is great potentiality for expansion of this industry. For instance, one factory in Canada, manufacturing only five per cent of the sugar consumed, employs 350 men in the factory, 2,200 workers in the fields, and 700 growers. So as a means of helping employment, because of its advantage in the rotation of crops, the help it would give to the transportation industry and to the live stock industry through the use of the tops and the pulp, the quantities of fuel, lumber and lime that would be required, and the benefit to the irrigated districts, this industry should receive more consideration. It has great potentialities for good in the economic life of the country.

As showing the fall in the consumption of sugar I may say that in 1930 each man, woman and child in Canada consumed 97·83 pounds; in 1931, 96·77 pounds; in 1932, 90·51 pounds, and in 1933, 80·47 pounds.

One other means that could be adopted in order to increase purchasing power would be an adjustment of exchange rates. Here I would point out that the primary producers of this country have been impoverished by adverse exchange rates during the last few years. When Great Britain went off the gold standard Canada did not follow, and the result has been that during all those years the British pound in Canada has been worth $3.60, $3.80, $4 and up to $4.87, whereas in the countries that compete with us in

agricultural products in the markets of the world—Denmark, Australia and the Argentine—the British pound has been worth $6, $6.10 and even up to $7. These countries have thus been able to undersell us and take from us our markets in oriental countries.

Now we come to the reform measures which have been brought down at this session. Such reforms as the unemployment insurance bill, the forty-eight hour week, the weekly day of rest, the minimum wage, are all right in themselves but they are of no immediate help to the people who are in the greatest distress at the present time; they are not intended to be. In my opinion the greatest reform of all was that put into operation by the Liberal government when they were in power; I refer to the Old Age Pensions Act of 1927. By it men and women of seventy years of age, subject to certain conditions, can get a pension of $20 a month for the rest of their lives. This brings comfort and security to them in their declining years and is a small recognition of what they have contributed to the welfare of this country. I have seen many people approaching the sunset of their lives made happy by the sense of security which that pension has brought them. We spent last year $12,314,000 on old age pensions. According to the last census statistics there were in Canada 344,907 people over seventy years of age. Of people over sixty we have 870,000, and if the same proportion qualified, pensions could be given to those over sixty at an annual cost of $31,047,600. Again if the veterans' allowance were changed so that the age of entitlement was fifty instead of sixty, it would cost $7,500,000 instead of $2,500,000. We have many different kinds of pensions in Canada. I believe in the idea of having pensions or dividends, for a very definite reason. We have judges' pensions, civil service pensions, and many other kinds. It seems to me that these should be reviewed, with the purpose of seeing to it that those who have the best organization and are in the best position to press their claims do not necessarily obtain the best treatment. I believe in the idea of giving dividends, because in no other way can purchasing power be put into the hands of a deserving class of people. We want these people to have purchasing power; we want them to have a reasonable standard of living, and in no other way can that be accomplished. Everyone will agree that the average man should carry insurance, also that if he can he should contribute to an old age pension, but there is a large class who find that quite impossible. It is hard for us to imagine a state in which all have the same degree of comfort; owing to the difference in our endowments some are better providers than others, and fortune does not smile with equal favour upon all. This condition of poverty for some has always been regarded as inevitable. Those of us who found ourselves in that position had either to work through or around it or to endure it. But I find in a book by J. A. Spender these words:

> The self-consciousness which recognizes poverty as a curable evil is of comparatively recent growth, and may well be held hereafter to have been the most beneficent of all the changes of thought in the nineteenth century.

If we are to regard poverty as a curable condition we must make some preparations for curing it.

To whom should dividends be given? I would say first to the blind. We are all glad to know that at least some of the blind people are likely to get a pension in the very near future. I would say, second, to the fathers and the mothers who have children who should be at school. No one wishes to see young boys and girls forced out into the hard work of life when they should be in school. I would say, in the third place, to those who cannot provide sanitary homes for their families; to the under-privileged; to those who have given meritorious service to their country; to the disabled. Let us suppose the bread winner of the family is disabled; had he been killed his wife would have received the mother's allowance and would live in comfort, but as it is the disabled head of the family is left at home to be dependent upon charity. Then most particularly I would say that when men and women have reached a certain age they are entitled to a pension if they will retire from the labour market and make way for the younger men and women who are growing up. You may destroy the morale of a young person by a pension, but you would not destroy the morale of a person sixty or over.

Now, why should dividends be given? Because the classes of persons to whom I suggest they should be given are citizens of a solvent country and are entitled to share in its natural resources. During the last fifty years great changes have taken place; machines have been invented; there have been advances in scientific thought. Drudgery is no longer necessary to the extent that it was, and more time should be given to leisure and to artistic pursuits. Dividends would give people an opportunity for enjoyment, and their cultural heritage is their claim on a share of Canada's assets.

Then the question is where the money would come from. If a war broke out to-morrow the money would be forthcoming, and peace has its emergencies no less than war. Again, if we are to say that first things should come first, as my hon. friend from Ontario (Mr. Moore) has said, and if we are to put forward a definite national purpose, what better objects could we have? Could we not divert some of the money now being used for the construction of barracks or public works, which we do not need, and devote it to these worthy veterans who would make good use of it and to whom it would be a great blessing? Then, while the business people of this country are taxed almost to the limit, at the present time there are pools of wealth which have been accumulated by special privilege, by the watering of stock and things of that kind. Those pools should be found and taxed. A slight increase in business would mean a great increase in the revenue of the country.

Then there is one other source to which we should look for money. We have in this country a central bank, which we on this side of the house desired to be owned by the government. The governor of that central bank has been given something like $107,000,000 in gold. According to the regulation that amount of gold would provide currency to the extent of $420,000,000 at a valuation of $20.67; if the valuation were put at $35 it would increase that amount of currency by three-quarters, yet in Canada to-day we have only $220,000,000 in currency and of that amount only about $35,000,000 is actually in circulation. So surely we should look to the central bank to provide some of this money, and more and more as time goes on, because of the assets that have been given to it. That could be done without the security of government warrants bearing three per cent interest.

In closing, Mr. Speaker, I would say that in the last analysis the object, the aim and the end of all legislation should be to make conditions better in the homes of the people of this country, and we in this parliament should not vote for anything unless it will make those conditions better. I say the younger men and women of this country are crying loudly for equality of opportunity. All are calling for greater equalization of wealth and for the stamping out of selfishness and greed in high places. If we are to be worthy of the age in which we live we must try to preserve democracy, personal initiative, liberty and freedom, and if we are to be true custodians we must guard what has been attained by the long, long struggles of the past.

Some hon. MEMBERS: Question.

Mr. F. T. SHAVER (Stormont): Mr. Speaker, I observe that many hon. gentlemen opposite desire to have the question put, but there yet remain a few of us on this side who, having held our peace for quite a considerable time, desire to express our opinions.

I am sure that while many congratulations have been extended to the Minister of Finance (Mr. Rhodes) upon the able and comprehensive way in which he has explained the financial position of Canada and upon the budget which he has presented to the house, we all agree that he well deserves those congratulations, to which I desire to add my own. I think the Minister of Finance not only deserves the congratulations of the members of this house; I believe he deserves the thanks of the Canadian people for the very efficient way in which, during the last few years, he has handled the difficult portfolio which he holds.

I trust that the hon. member for Medicine Hat (Mr. Gershaw), who preceded me, will pardon me if I do not refer to his remarks at any length. It is always a pleasure to listen to the hon. gentleman; he is always fair, moderate and courteous in debate, but there is one point to which I should like to refer. Once again the hon. member brought up the question of the beet sugar industry, which I presume is quite a considerable industry in his constituency. I give my hon. friend credit for being interested in that industry; I think any member of this house who has in his constituency an industry which employs a number of people should not be ashamed to rise in the house and stand up for those people. But as I mentioned last year it seems rather strange that the hon. member should expect some particular consideration to be given that industry, aid by way of bonuses, assistance by way of reduced freight rates or something else, while at the same time he finds fault because the textile industry, which gives employment to several thousand people in my constituency, receives protection against the textiles which would be dumped into Canada from every other country in the world if that protection did not exist.

There were a few high lights in the budget speech of the Minister of Finance to which I should like to refer briefly, because to me they seem very important, since they indicate that conditions are improving. There was the fact

that the physical volume of business was 48·5 per cent above the low point of the depression; that the League of Nations' comparison of increases in industrial production from January, 1933 to the end of 1934 placed Canada in first position with an increase of 46·2 per cent; that last year our field crops increased in value by $91,000,000 as compared with 1933; that there was a marked increase in mineral and forestry production and an increase of 65,000 in employment over 1933, with an increase of over 340,000 as compared with the low point of the depression. It was gratifying also to note that Canada still occupies fifth place in export trade; that there was an increase in trade during the eleven months period amounting to $169,000,000 and a favourable trade balance for the same period of $134,000,000. It is also gratifying to note that the good effects of the empire agreements are still making themselves felt, as evidenced by the fact that our export trade with the United Kingdom increased in 1934 by 52 per cent as compared with 1932.

Many hon. gentlemen opposite have urged the necessity of holding a general election as soon as possible, and that point was also mentioned by the hon. gentleman who preceded me; as a matter of fact it was his first point. It did seem to me that this evening my hon. friend spoke with a rather greater degree of pessimism than he usually shows when speaking in this house. It appeared to me that the idea of an immediate general election—and no doubt the possible effects of that general election—had saturated his whole consciousness to such an extent that he exhibited an extreme feeling of pessimism. While we are all aware of the fact that this is the last session before a general election, we know that the electors throughout the country from one end of Canada to the other are beginning to consider, and no doubt already have considered, the issues upon which this election will be fought. It seems to me that the electors are asking themselves, perhaps not in express terms but in their minds, certain basic questions with regard to the government of the country. It is quite natural that the electors should ask themselves about the record of the government appealing to them for support. The budget which has been presented gives answers to many of these questions. The first question the electors will be asking from now until election day—and it is the most important question they will have to answer—is this: "Has the present government administered the affairs of Canada with honesty, efficiency and economy?" To this question I believe any person who has studied the situation carefully or has reviewed thoroughly and dispassionately the record of the government must give an affirmative answer.

The Minister of Finance was able to point to a reduction in the interest rate on our funded debt, and a civil service reduction amounting to 12,700—which was effected without working any hardship upon civil servants—and a consequent saving in salaries of over $12,000,000. The fact that the per capita basis of controllable expenditure was last year practically the same as in the year 1913-14, before the war, is the best evidence that the government which has been conducting the affairs of Canada since 1930 has administered those affairs with the most rigid economy.

Hon. members opposite have spoken about the increase in the public debt. We admit that; but they did not for a moment consider the fact that other countries in the world have increased their public debt. They did not consider Canada's public debt from the standpoint of comparison with the debt of other nations. They seem to have forgotten the wealthy nation to the south of us, I suppose the wealthiest nation in the world, which has now before congress a work relief bill amounting to nearly five billion dollars, which will have the effect of increasing the debt of that country to thirty-four billion dollars, or nine billions more than the peak of the war debt. We are informed, from very reliable sources, that there are now 20,000,000 people in the United States supported either in whole or in part by public funds. This is a much greater proportion than that existing in Canada. Compared with our great sister nation we are only small and comparatively undeveloped. Yet, in all these respects, we are in a much better position than is the United States.

The next question the electors will ask, and to which they will deserve a clear and definite answer, is this: "Is the present government responsible for the depression?" To hear the observations of some hon. members opposite, hon. members who utter lurid fulminations against the government, one would be led to believe that the present government was responsible for the depression not only in Canada but in every country of the world. Yet they know and every Canadian citizen knows that the tide of the depression was running across Canada like a flood for almost a year before this government took office. The government of hon. members opposite were to a great degree responsible for that condition. For nine years they had floated along on the tide of world prosperity. For nine

years they had seen the markets of the world closed against the products of Canada, and particularly was that true of the great market to the south of us. However, they did not do anything. They just sat quietly and drifted along. Therefore when the depression came, all those nations which were trying if possible to get rid of their surplus goods began to dump them into Canada. Immediately those nations, the buying power of which was cut off by the depression, stopped buying from Canada, with the result that in one year while hon. members opposite were still in power there was a drop in Canada's exports amounting to $243,958,005. In arriving at this figure I have compared the figure for the fiscal year ended March 31, 1929, with the figure for the fiscal year ended March 31, 1930. Hon. members opposite were still in power in those days, and even for a few months after that.

The hon. member for Shelburne-Yarmouth (Mr. Ralston) referred to the reduction in exports which had occurred while the present government held office. If there had been a reduction of nearly a quarter of a billion dollars each year this government has held office our exports would have been nearly wiped out. There was not the same reduction in our imports, because with our low tariff barriers the nations which were trying to get rid of their goods found it possible to ship them into Canada at distress prices. The result was that the reduction in imports amounted to only $17,405,509. The total decrease in our foreign trade in that one year, while hon. members opposite were still in power, was $261,363,514. The favourable trade balance of $123,216,984 which we had in 1929 was changed in the fiscal year ending March 31, 1930, to an unfavourable balance of $103,335,512.

The next question the electors throughout the country will have the right to ask is this: "Has the present government taken the proper action to lighten the effects of the depression, and to help end it?" The first action—and it is the action for which I highly commend the government—is that when they took office they had the courage sufficiently to protect our industries, a protection to which they were entitled. There was an increase in the tariff on textiles. If one tariff has been attacked more than another by hon. members opposite, I would say it has been the textile tariff. When we consider that the primary textile industry in Canada is the main industry in 160 municipalities, comprising a total of 450 mills, and that in the last year it supported a pay-roll of $40,000,000, we will have some idea of the importance of the industry. Then, there was protection given against dumping; this is one of the main charges hon. members opposite lodge against the government. They say unfair dumping duties were placed against textiles from other countries. Hon. members will recall the classic example given by the late Minister of National Revenue, Mr. Ryckman, who told of an importing firm in this country which wanted to bring in 10,000 dozen children's dresses. The cost of production in Canada was one dollar per garment, but they could be imported at thirty-three cents each; therefore it was necessary to threaten a dumping duty of two hundred per cent to keep the dresses out. I am absolutely in favour of that practice because the manufacturing of 10,000 dozen dresses in Canada would give employment to a great many men and women, not only in the primary textile industry where materials are fabricated, but in the factories where the dresses were completed.

May I draw the attention of the house to the fact that the rayon industry has received a protection which has assisted it greatly. The woollen industry, which had almost been destroyed by hon. members opposite, has been restored. Then, the Canadian farmer has been given protection which has meant a great deal to him, a condition with which I shall deal in more detail in a few moments. Wider markets under the empire agreements have been offered. Trade agreements have been completed with France, Germany, Austria, Brazil and Poland.

The manner in which this government has handled unemployment relief, to which reference was made by the hon. member for Medicine Hat has been attacked vigorously by hon. members opposite. If they study the conditions in other countries they will find no government which has had the interests of the suffering, the destitute and the unemployed more at heart than has the government of Canada. Further, they will find no government which has made more practical efforts to relieve conditions. Last night we had an example of the type of attack made against the present government when the mayors from different Canadian cities met with members of parliament. They put forward the proposition that all unemployment relief should be financed by the dominion government, that the municipalities should be relieved entirely from any share in caring for the unemployed. A most unreasonable proposition, unreasonable on the face of it because, as anyone can see, if the dominion government were to advance all the cost of relief, immediately every municipality from the Atlantic to the Pacific

would be grabbing to see who could get the most out of the dominion government's pocket. I was pleased to see that the mayor of a city located in my own constituency, the town of Cornwall, was one of two mayors who stood up in Montreal and said that they were not in favour of that sort of thing. The mayor of Cornwall said that it was not a fair or businesslike thing to suggest, and that so far as he was concerned he stood for the principle of the municipality paying a portion of the relief. It seems to me, Mr. Speaker, that if Mayor Parisien of Cornwall, who is a self made business man who has made good on his own initiative and energy, had been selected as one of the men to address us at the meeting last night, it would have made a greater impression on the members there assembled than the addresses of some of the impractical spellbinders who did speak.

The next question, Mr. Speaker, which the electors are asking is this: Has the government adopted adequate safeguards, so far as possible, against another depression? We know that the channels of foreign trade have been opened. We know that progressive measures of social justice have been introduced, and many of them put through, to a greater extent than at any other period in Canada's history, in order to meet the needs of to-day; for instance, the Bank of Canada Act, the marketing act, the Canadian Farm Loan Act, the Farmers' Creditors Arrangement Act, the Unemployment Insurance Act, the Eight Hour Day Act, the One Day's Rest in Seven Act, the federal Minimum Wage Act, the setting up of an economic council, the price spreads investigation and the legislation which undoubtedly will arise therefrom. All these are measures to assist in securing social justice for all the citizens of our country. I approve of these measures, particularly because they seek to assist the farmers and the working people who are the very backbone of our national existence.

While it is true that the electors will ask questions concerning the government that will demand a clear and definite answer, they will also ask questions about the opposition. Do not let the opposition members any longer think, as they did a few months ago, that the people of Canada are going to accept them holus-bolus, and allow them to slip into office without considering their record at all and without their placing before the people a definite plan. The first question which the electors will ask of the opposition is what action did the government of the Right Hon. Mr. Mackenzie King take to avert the depression that was rolling over Canada for nearly a year before his government gave up office. As I said before, they took no action at all. They left our country exposed as a dumping ground for every other nation of the world, as the trade figures I have given indicate. For a considerable period of time they even denied that a depression existed, and in the setting up of relief measures the Prime Minister of that day refused aid to provinces which might happen to have a Conservative administration. The Canadian people passed judgment on the government of the right hon. gentleman opposite on July 28, 1930. The people considered their record; they looked at what they had done to assist our country in that crisis, and decided that the government should be turned out of office.

The next question they are going to ask is this: Has the Liberal opposition during the intervening period done anything to cause the electors to change their minds or alter the verdict they rendered on that occasion? What has the Liberal opposition done to assist Canada during the past four years? I think that every member will agree that the responsibility rests on every citizen to do his share, and from the individual standpoint every member of the opposition has done his share just as much as every member on the government side of the house. We are all interested as individuals in the welfare of our country, and we all do what we can. But what have hon. gentlemen opposite done as a party? They have had very many opportunities, headed as they are by a leader with long political experience, with a wide economic training, a training which entitled him to write a book on certain social questions which some claim is a masterpiece, and supported by many men sitting behind him of wide business training and long political experience. But what have they done? Those who have been present in the house during the last four years know how they have hampered and delayed the passing of legislation.

When tariff changes were brought in to assist the agricultural industry, they were opposed by hon. gentlemen opposite. When the empire agreements were brought into the house, one of the best measures which was introduced on behalf of the Canadian farmer, for two months hon. gentlemen opposite opposed them. When the marketing act was introduced, one of the most advanced pieces of legislation to assist the Canadian farmer ever introduced in the House of Commons, they opposed it. This has been their record all the way through.

Another question which the electors will ask is this: What constructive suggestions has the combined genius of the Liberal party to offer? We have heard only two from the right hon. leader of the opposition. One of them was lower tariffs, the old panacea which the Liberal party have always preached, and sometimes they have practised it and sometimes not. I am old enough to remember the time when they were preaching commercial union and free trade as they had it in England, and so forth, but there has always been that question of lower tariffs.

The other suggestion of the leader of the opposition was that the Liberal party want a commission to deal with unemployment. Those are the only two proposals that I have heard the right hon. leader of the opposition propound, although he did surround those two ideas with a great multiplicity of words.

What has been the attitude this session of hon. gentlemen opposite? They profess a belief in reform and then try to destroy the reform measures with constitutional difficulties. They vote with the government in the house, and then go out to their meetings and attack the government. The other evening a great meeting of the Liberal party was held in the Chateau Laurier, a banquet to their leader, and I opened the newspaper the next morning with a great feeling of anticipation. I expected to find the report of a constructive policy laid down by the leader of the opposition on that occasion, and what was his policy?

Mr. MUNN: The meeting was not called for that purpose.

Mr. SHAVER: That is perhaps a very good excuse, but at any rate we would have expected, and the people expected—several people so expressed themselves to me—that he would lay down a policy.

Mr. MUNN: You will get it.

Mr. STEWART (Edmonton): Don't worry, there will be a policy.

Mr. COTNAM: It's in cold storage yet.

Mr. SHAVER: The people expected that the leader of the opposition on that occasion would present a program. Well he had a program, but it was in three words—moderation, conciliation and toleration. Those are very pious platitudes to which every member will subscribe. We are all agreeable to these ideas of moderation, conciliation and toleration, but what practical suggestion is there in those words to cure the evils from which Canada is suffering?

I desire to speak for a very few moments about conditions in the county that I represent. I have done that on former occasions in the house, and I make no apology for it. As I said at the beginning, I think it is the duty of every member to be interested first of all in the affairs of his own constituency and then in the affairs of the country as a whole. Each constituency throughout Canada is interested in some particular phase of industry. In Stormont we have the advantage of having a constituency partly urban, including the manufacturing city of Cornwall, one of the most progressive and up to date cities in Canada, and partly rural, including four townships, a mixed farming section which is an especially good agricultural area. As I have pointed out in the house before, there has been a considerable expansion of industry in my county since this government came into power, and that expansion of industry has assisted in providing a home market for the farmers of my own county and of the surrounding counties as well. Where you have an industrial town with a population of 20,000 people and a payroll running into many thousands of dollars per week, there is a considerable quantity of farm products purchased.

I should like to make a short comparison between two reports of presidents of the board of trade of Cornwall. The first one was issued on February 6, 1930, and covered the year 1929. It gave the activities of eighteen industries. Hon. gentlemen opposite were still in power in 1929. There were 3,780 employees in these industries, a decrease of 280 from 1928. Salaries and wages paid amounted to $3,703,737, a decrease of $42,559 from the amount paid in 1928. The depression had already struck our town. The next report is dated March 8, 1935, and covers the year 1934. This report covers only sixteen industries, as the information concerning two had not been included. There were 4,173 employees, an increase of 651 over 1933. The wages and salaries paid amounted to $3,749,061.69.

Mr. HANSON (Skeena): I suppose there is no one on relief in that town?

Mr. SHAVER: The number is comparatively small. The reason there are any on relief is the fact that the prosperity of Cornwall has been so widely advertised that many more people have flocked in than can be accommodated by the industries. The population of the town and its suburbs increased from 16,000 to 20,000 in that period. The buildings erected in 1929 had a value of $425,275 and the permits issued for 1934

had a value of $490,955. These figures do not include additions made to factories or new industries. I might mention that the two gentlemen from whose reports I have quoted are prominent business men of the town and are both members of the Liberal party. It cannot be said that their reports contain any partisan bias.

The rayon industry has been extended considerably since 1930 due to the increase in duty put through in the short session of 1930. Two extensions have been made to the plant at a cost of between five and six million dollars and the number of employees have increased from 1,000 in 1930 to 1,700. These employees receive good wages and work under excellent conditions. This industry like any other textile industry prior to 1930 had to face strong competition from Europe and especially from Japan. Were it not for the dumping duties imposed by this government, for which I give them great credit, it would have been impossible to meet this competition. Every hon. member knows how the Japanese manufacturers have been getting into the markets of the world. This is the case not only with cotton and rayon, but with other manufactures. When we realize that the wages paid in Japan in a textile industry range from $1.21 to $1.65 for a 60 to 72 hour week, we have some idea of the living conditions of the people. Japanese rayon yarn is selling to-day in Cuba for twenty-five cents per pound, which is less than half the cost of production in Canada.

There are three cotton mills in my constituency. These mills suffered considerably because of the tariff policies of hon. gentlemen opposite. In 1922 revisions were made in the tariff on textiles, and this occurred again in 1928. This brought about increasing importations from every cotton producing country in the world, which importations were greatly accelerated by the depression. This condition was remedied to a large extent by the specific duties which were added to the ad valorem duties at the short session of 1930. Because of the empire agreements a considerable portion of the textile goods imported from the United States was diverted to Great Britain and one large American firm found it advisable to erect a branch factory in Canada. In looking for the most suitable location they chose Cornwall. This industry now gives employment to 225 people.

The fine paper industry was benefited by the repeal of tariff item 1060 and the increased duty which was placed on magazines. I understand that one of the fine paper mills in my constituency is to erect an extension this summer. Men's and boy's clothing manufacturing was protected by the dumping duties put through by this government. The manufacturing of furniture, fibre conduits and steel beds has received protection because of the policies of this government. Canadian Industries Limited have found it advisable to erect a new plant in my constituency at a cost of a million dollars. This plant commenced operations a few weeks ago.

During the fall session of 1932 the right hon. leader of the opposition stated that if he were returned to power he would restore duties to what they were when he left office and increase the British preferential to fifty per cent of the general tariff. He amplified this statement during this session. He is reported on page 383 of Hansard as saying that the Liberal party will abolish the extravagant increases in the tariff made by the present administration. As I have pointed out already, the increases in the tariff and the dumping duties put into effect by this administration have proved life savers for industry, not only in my constituency but in other places throughout Canada. During the same debate the right hon. leader of the opposition stated that duties were so high that goods were not coming in from Great Britain. This argument has been used time and time again. I should like to give some figures to show how incorrect this statement is. I shall give the imports from Great Britain of cotton yarn and cotton piece goods. The figures are as follows:

Cotton Yarn

	Pounds
1930	1,505,900
1932	2,048,400
1934	4,097,100

Cotton Piece Goods

	Square yards
1930	32,423,100
1932	27,238,000
1934	63,821,000

While it may be true that a large part of these increases was due to a shifting from other countries to the United Kingdom, yet it seems to me that these imports have reached a stage where they are proving to be a considerable handicap to the Canadian manufacturer. I want to say quite frankly that I am opposed to the reduction of one and one half per cent in the excise tax on imports of cotton from Great Britain. I was opposed also to a similar reduction made last year. The Canadian cotton manufacturer has to pay a three per cent excise tax on his imports of raw cotton, on his imports of

dyes and the other things which he needs, and it seems to me to be only fair that imports of cotton goods should pay the same tax, no matter from what country they come.

This government has given considerable assistance to the farmers of this country by way of tariff protection. This point has been dealt with by other hon. members, particularly by the hon. member for Compton (Mr. Gobeil). The hon. member referred to the advantages accruing to the farmers of Canada by the shutting out of New Zealand butter. Hon. gentlemen opposite laugh very often when we mention New Zealand butter, but let us look at the facts. In 1930, 175,000,000 pounds of New Zealand butter were exported to the United Kingdom. That was the year in which they exported 40,000,000 pounds to Canada, but this country was never a large market for the New Zealand butter manufacturer. The United Kingdom was always his large market, the one upon which he depended to take the bulk of his butter export, so that he was always ready to accept from the Canadian buyer the United Kingdom price plus one cent a pound duty and another cent a pound added for other costs. The result was that at the time New Zealand butter was being flooded into our market, the Montreal price was always down within two or three cents, usually within two cents of the London price. I want to give a comparison of the average prices in 1934 and 1930. This is the average price for choice quality butter:

Montreal

Year	Average price cents
1930	31
1934	22.4

There had been a drop in the intervening period of 8·6 cents per pound.

New York

Year	Average price cents
1930	36.4
1934	25.2

A reduction in price of 11·2 cents.

London

Year	Average price cents
1930	29
1934	14.59 to 15.82 (average 15 cents)

Or a reduction of 14 cents a pound. So that the fact that New Zealand butter has been kept out of Canada owing to our getting the protection we have enjoyed for the last few years, has added at least three and possibly four or five cents at certain periods to the price of butter.

Reference has been made to hog prices. An hon. gentleman opposite not long ago compared the price of hogs in Chicago with the price at some points in Canada. I looked up the prices on the date mentioned, and I found that if you took the processing tax off the Chicago price, the result was almost the same as the price in Montreal. They have raised the price in the United States by artificial methods, first of all by destroying 6,000,000 hogs at a cost of $30,000,000 to the United States government, using most of those animals for fertilizer; by the processing tax and by arbitrary methods of restricting production. The price in Canada has been raised by the natural method of creating a wider and assured market in Great Britain. As an illustration of what that means, may I call attention to the fact that in 1930 our exports of bacon and ham to Great Britain amounted to 13,114,000 pounds, and in 1934 this had increased to the large total of 119,707,600 pounds.

The same thing is true of eggs. The fact that the Canadian farmer is receiving protection; that his market is not flooded with eggs from China and the United States, has brought about much better prices. Ever since the present government imposed the duties enjoyed by our egg producers, there has been an average annual spread between Montreal and Chicago prices of about ten cents per dozen in favour of Montreal.

What would be the result on our farm products if hon. gentlemen opposite came back into power? I assume if they remained true to the ideals they have proclaimed, they would reduce the duty on New Zealand butter. If they remained true to their ideals of lower duties, we would be flooded with farm products from every other country in the world.

With regard to the cheese industry, it is true that the price is very low, but as I pointed out last year it seems to me that if action were taken under the marketing act something could be done for the industry. A dairy products marketing scheme has been proposed by the national dairy council and the Canadian Farmers' Federation. This has been approved by the Ontario cheese patrons' association, and if it is endorsed by a sufficient number of farmers to put it into operation, it will undoubtedly have the effect of raising the price of cheese and other dairy products.

I see that my time is nearly up. Our Prime Minister just a few short weeks ago in his radio addresses sounded the clarion call of

progress and reform to the Canadian people. That has made a striking appeal to the youth of our country, young men and women of high ideals, many of whom will be voting for the first time during the coming election. Those addresses have also appealed to all men of progressive thought who desire conditions improved, who have at heart the interests of their fellow men throughout the length and breadth of Canada. The illness of the Prime Minister has indicated to him, I am sure, and to those of us who sit on this side of the house, how much his efforts have really been appreciated by the Canadian people. There have been expressions of sympathy and good will all across this country from the Atlantic to the Pacific, voicing the desire of the Canadian people that he may soon be restored to health. I am quite certain that it is also the earnest desire of perhaps not all the Canadian people but at least a fair majority of them that he may be enabled to serve his country as prime minister for at least another five years.

Mr. H. E. SPENCER (Battle River): With the hon. members who have preceded me, may I compliment the Minister of Finance (Mr. Rhodes) upon having so ably presented this year's budget in regard to which he has had a very difficult task. However with his great ability he presented that budget to the House of Commons and painted conditions in Canada in such colours that anyone who did not know the real situation might have thought all was well. I was interested also in listening to the critic of the opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston), who painted the other side of the picture and made it exceedingly blue. In criticizing the budget he moved an amendment which opens with the following words:

> This house regrets that the proposals submitted by the Minister of Finance on March 22 are entirely inadequate to meet the serious and acute situation prevailing in Canada.

Then in the second part of his amendment the opposition recommended that the people of Canada go to the polls to send back possibly another government. While we can agree entirely with the first part of the amendment, because the proposals in the present budget do not meet our problems, we certainly cannot see any good in supporting the second part, as it would have the effect, even if the opposition were returned at the polls, simply of putting them into power in place of the present government, and we are going to the polls anyway. I have had the honour of being in this house for fourteen years, and during the last five, although we have not agreed with many proposals the government have put forward, I must admit, to be fair with them, that they have put far more progressive legislation on the statute books in the last five years than the opposition did during their nine years' regime. Therefore, in considering the budget as presented by the Minister of Finance, we moved through the hon. member for Macleod (Mr. Coote)—who presented our subamendment in a very able way—the following motion:

> This house regrets that the proposals submitted by the Minister of Finance on March 22 are entirely inadequate to meet the acute and serious situation prevailing in Canada and would appear to be based upon the assumption that poverty and debt are inevitable conditions within the country;
>
> And whereas the real and potential wealth of the nation, based upon our natural resources and our capacity to produce, is such as to make possible an abundant provision for all the requirements of our people;
>
> Therefore, this house is of the opinion that the government should take immediate action to insure the fullest and most equitable distribution possible of our socially-created wealth and that, as a first step in this direction, the measures which may be necessary to meet the pressing needs of the farmers and the unemployed should be financed by the social credit of Canada, thus avoiding a further increase in the debt burden of the country.

Anyone who has followed the situation in Canada at all during the past few years knows perfectly well that we have some very serious problems facing us, problems in relation to agriculture, railways, trade, health, debt, and taxation. It is for that reason that we saw fit to move our subamendment; we could not see anything in the purely negative amendment and we wished to submit something constructive. The government intimates in the budget that poverty and debt are inevitable. With this we do not agree. Real wealth in Canada to-day is greater than it has ever been. All across this country in after dinner speeches one hears time and time again of the wonderful potential wealth of Canada. There is too much lip service given to the potential wealth of the country and not enough real consideration of how that great wealth might be properly distributed. Our problem to-day, as so many hon. members admit, although they do not act upon it, is one of distribution, not of production. Physically we are a very rich nation; we are poor only financially. Under our present economy we are in the extraordinary position that the more we produce or the richer we become in physical assets the poorer we become financially. In other words the more we produce the more poverty we have, particularly in our urban centres.

Take for example the wheat problem; if next year we have a large crop and there is also a good crop in the rest of the world, our farmers will find themselves in a situation as bad as or worse than they are in to-day, because the price of wheat will go down far below the cost of production if something is not done to stop it. With our present possibilities of production, poverty in our midst is inexcusable. It is a social crime. And we have to admit that poverty is the mother of crime. I do not think for a moment that things are done perfectly in Great Britain, but I would remind the house that Great Britain discovered some years ago that if she could get rid of the extreme poverty that existed in some parts it would have the effect of getting rid of a great deal of crime. So she set to work to get rid of much of that extreme poverty, with the result that for several years she has been closing some of her gaols. Yet we in this young country, with a virile people, with great possibilities and enormous potential wealth, have actually been adding to our gaols instead of closing them. Last year, I think it was, the Minister of Justice (Mr. Guthrie) admitted that the prison population had doubled in twelve months. Surely that situation is inexcusable considering the fact that we have in this country not only great real wealth but great potential wealth as well.

I want to refer to some legislation that has passed the house during this session and in previous sessions since 1930. I refer particularly to reforms with reference to so-called labour. We have put through a minimum wage bill, a maximum hours bill, an unemployment insurance bill, and some others. I supported them because I think they are good, and I welcome the effort to correct abuses. But I ask: what of the farmer? Some legislation has been passed with regard to the farmer, but I remind the house that the legislation that I have just mentioned will have the effect of increasing prices. It will I hope have the effect of increasing wages to the employees, but this only adds to taxation. It will affect those who are on the land and who have difficulty in passing on taxation. Then we have legislation in regard to agriculture; we have the Farmers' Creditors Arrangement Act, an act passed in self-preservation because it was feared that if something like that was not done we would lose large numbers of people off the land, and that would be a national loss. It is the purpose of that act to cut down the debts of the farmers, and I think it is working all right, only too slowly; at the present pace it will take ten years to get all the debts written down to where they should be. I might remind the house here that farmers' debts have been doubled in weight owing to deflation. Their position has been made much worse on account of what has been termed the sound money policy; for dear money meant cheap goods. Then we have the Canadian Farm Loan Amendment Act, which will enable the farmer to get into debt, but at a reduced rate of interest. Then we have the National Products Marketing Act, in which there are great possibilities if the farmers will only take advantage of it and organize. Then for one year there was a bonus given on wheat of five cents a bushel, amounting to about $12,000,000. Added to that there has been some relief given in the drought areas, particularly in Saskatchewan, out of a total of relief money spent by this parliament of $175,000,000. I give the government credit for stabilizing the price of wheat; it was a good action and I think it has had beneficial results. But I would remind the house that it benefited not the farmer only but the whole business life of Canada; so it cannot be said that that was legislation passed specially for the benefit of the farmer. I think most people will agree that the greater part of the taxes come from the first six inches of the soil, and it is very difficult to pass them on.

We are to have the report of the price spreads and mass buying commission; as it is not yet before the house I cannot debate it, but I hope there will be some legislation based on the findings of that commission which will be of benefit to the farmer.

We have had in Ottawa during the last two days large numbers of mayors representing the cities of Canada. I attended their meeting last night and listened to them again to-day. They want the federal government to take over all direct relief. If the federal government does that, it is simply a matter of transferring the administration, but it is not going to reduce taxation, that is if the money is found in the orthodox way; for the taxable people are the same. However, they may expect, and I hope the expectation will be fulfilled, that the government will make use of the national credit through the central bank and provide the money in that way and not by taxation.

May I refer for a moment to some of the problems that face this country. We in this corner of the house have stressed the serious problems of debt and taxation. I want to remind the house again that the biggest single item we have to pay is the interest on our

national debt, amounting to about $140,000,000 this year. In addition, of course, we have the debts of provinces and municipalities, as well as private debts, in a somewhat similar ratio. The system itself is debt creating. I notice the Minister of Finance mentioned that sixty-three per cent of our total expenditures goes to pay interest, pensions and subsidies, but most of that money goes in interest. May I remind the house once more that since the war we have paid out in interest alone no less than $1,900,000,000, but we have not been able to pay any principal. Figures I received the other day indicate that of the debt of over $2,000,000,000 created during the war years, no less than $1,393,000,000 was in the form of tax exempt bonds. I do think something should be done in this regard. I know that any new bonds that have been issued have not been exempt from taxation, but there is no reason why the people who bought those tax-free bonds should not bear their share of the losses that have occurred in the last five or six years.

I should like to refer for a moment to another subject on which I have spoken in this house several times; I refer to the matter of health which is becoming an increasing problem in these times when many people are not living on a decent standard. I should like to remind the house that we have a daily sick list in Canada of no less than 180,000 people. Of course this costs a great deal, taking into consideration hospital and doctor bills, loss of work and so forth; in round figures, the annual loss is about $300,000,000. Yet we are only spending about $6,000,000 annually in connection with health, taking into account both federal and provincial expenditures. I make the plea that it would be a good investment to spend more money in preventive medicine and so keep down the loss from sickness. Uncertainty of employment, poverty, debt and the fear of penury and penniless old age all have the effect of developing ill health, and they are doing so at the present time.

Usually in my speech on the budget I have something to say with respect to the matter of immigration, and again I want to state my position in that regard, because I believe the subject to be important. I am not against immigration if it consists of volunteer immigrants of the type we desire, who come into Canada after a real mental and physical test, but I am absolutely against spending public money to bring people here by flowery promises with the result that many of them are disappointed and go back to their own country and Canada is given a bad name. I should like to give the house some figures with regard to the number of people brought into this country between 1901 and 1931. In that period we brought in no less than 5,084,000 people, large numbers of whom were placed on the land. Unfortunately, due to disappointments of one kind and another, we lost no less than 3,409,000 of those immigrants, leaving a balance of 1,675,000. To bring that number of people to Canada cost this country no less than $50,000,000. There is no reason at all why Canada should not support a much larger population than we have at the present time, but so long as we have 500,000 people unemployed and have over one million on public relief it seems to me that it would be absurd indeed to try to force people into this country.

Unfortunately, Mr. Speaker, too many people in trying to solve this problem have looked upon unemployment as a cause rather than as a result. Until we realize that it is the result of certain factors and until we find out what those factors are we will not solve the problem. More people all the time are realizing that it is brought about very largely through the mechanization of industry, but we should remember that by this agency we are able to speed up production. That is so much the case that we find ourselves fifth among the exporting nations of the world. The hon. member for Shelburne-Yarmouth questioned that statement and said we were eighth among the nations of the world. Even if that be so it is not a bad position. But through the mechanization of industry we find that we can produce much more goods with less man power, and that being so there is no reason why we should increase our pauper population. We should realize that with our powers of production, which have been brought about not by one or two individuals but by the progress of society that has been made in past years, and that there is a cultural heritage coming to every one of us, and if we can produce this material wealth so easily we should find ways and means of distributing it. Unfortunately we lack purchasing power with which to buy these goods, and various methods have been adopted to get rid of them. Perhaps one of the most generally adopted methods is that of selling goods on time, with people going into debt for them. That has only a temporary effect, and every time a period of deflation develops the situation is made so much worse. Then some people suggest that we should export the surplus. It does not pay a country to export goods unless it is prepared to import goods, and allowing for what Canada owes in interest and for

services, there is no advantage at all in exporting more goods than we import, for if we do we simply give the goods away. People seem to eulogize the idea of sending goods out to supply foreign countries, without giving a great deal of thought to the necessity and the wisdom of supplying our own people. I do not know just what part of our total trade is made up by our internal trade, but I think it is something like seventy-six per cent. We know that our people are not living at a very giddy height or on a very high average, so it stands to reason that if we found the means to do so we could consume within the country a vastly greater amount of goods and services than we are consuming at the present time.

The budget that has been presented by the Minister of Finance, which is similar to other budgets presented not only by him but by other ministers as well, seems to stress the matter of debt and rather develops the scarcity complex. The country might be thought to be in a state of siege when you hear many people in high places advocate that people should work harder and harder in order to produce more and more, while at the same time they are cautioned to consume less and less. In other words it is the process of tightening the belt. I think those suggestions are entirely out of date. We have entirely different conditions from those we had in past years or past generations, and we have to find newer remedies. In Canada, with our vast productive possibilities and our smaller consumptive realities, it would seem that we are afraid of allowing the Canadian people to trade among themselves. What is needed is more spending money, more money in the pockets of our people. One way to supply that deficiency would be to circulate money through various government works such as those which at the present time are being carried on on a small scale. I understand the government has plans to enter upon a more extensive works program. This is all to the good, although it may not be the best way to put money in the pockets of our people. For it has the effect of temporarily quickening the business cycle and as soon as the program has been completed we drop down to a condition of slackness or deflation. When referring to public works may I remind the government that there are no less than 25,000 houses in Montreal classed as unsanitary by the board of health of that city, and a similar condition obtains in Toronto. The same story would be true of many of our larger cities. While referring to the cities I do not for one moment wish to leave the impression that people in the country, and particularly those on the prairies, are housed satisfactorily or in houses people may be proud to call their homes. Much more work could be done in connection with such houses, and particularly in supplying the inside conveniences.

In the problem of income or purchasing power we have two situations. First of all we have the inequality of income which has been brought about through various reasons which, had I time to do so, I could enumerate. All hon. members know there is great inequality of income, as shown by income tax returns. Secondly, there is at all times a shortage of money necessary to buy the total of goods on the market. That is an all important factor.

I am pleased to note that in the present budget the government has increased the tax on larger incomes. It could have gone further, but what it has done is certainly a step in the right direction. In 1927 and 1928 similar action should have been taken, but in those years instead of increasing the tax we found that the tax on incomes was reduced by ten per cent. When all is said and done our problem is to a great extent a money problem. Money is a man made device, made for a certain reason, namely to get away from the slow and tedious system of bartering. The purpose is to speed up the exchange of goods and services between one person or one body and another. To the extent that it does not fulfil this function, just to that extent does it fail. At the present time, with on the one hand our vast riches in potential and real wealth, and on the other the great numbers of poor and many approaching conditions of poverty, we must admit that money has failed. Otherwise we are enslaving ourselves to money instead of making money the slave to mankind.

I should like to support most heartily the suggestion made by the hon. member for Macleod to the effect that all people over the age of sixty years should, if they wish, be pensioned. I support the hon. member without hesitation because it is a fact that in Canada to-day large numbers of people cannot obtain work. Among those numbers we find many in the prime of life who would be better at work and are anxious to get it. The census figures prepared in 1931 show that 460,000 boys under nineteen years of age were at work. We know that about 200,000 boys and girls are graduating from schools each year with little hope of work. Yet, at the same time we find that more than 80,000 people over the age of seventy years are still

at work. Surely it would be good business to give the people who have reached that age the benefit of a pension. Let them take things a little easier; let them enjoy life and have a little rest in their later years, thereby giving the younger generation a chance to earn a living.

Again I state that we are physically wealthy; we are only financially poor. Until we recognize that fact and bring about a definite change, which we could do, we will continue to look upon ourselves as a poor country. If I were to make one or two recommendations I would say this: In making up our national bookkeeping we should pay more attention to our total production in relation to our total consumption. Each year when the budget is brought down we should consider for instance, the total production of Canada plus the total of imports plus the total appreciation, and against those figures put the total consumption plus the total of exports plus the total depreciation. If we subtracted one column from the other we would find a great difference between the two. In my opinion there is no reason in the world why, with the power parliament has, we should not, through the central bank, monetize to a safe extent the difference between those two amounts. We could open a national credit account, monetizing our social credit, just the same as a bank to-day monetizes the credit of an individual when it makes a loan to a client.

Mr. MACKENZIE (Vancouver): This parliament has no control over the central bank.

Mr. SPENCER: It has, if it wants to exercise it.

Mr. MACKENZIE (Vancouver): Not unless we change the present act.

Mr. SPENCER: I shall have a word to say about that in a minute. The bureau of statistics has placed the total wealth of Canada at about thirty billion dollars. Our liabilities are about half that amount. In that figure I have not placed any value upon man power, although if you take the value of man power, a value which is worked out by the Metropolitan Life Insurance Company, we would find a very high figure. There is no reason why we should not put a value on man power, because we take a great deal of trouble to save life, and spend great amounts of money at times in an attempt to increase the population of our country.

[Mr. Spencer.]

I believe that henceforth the federal government should stop borrowing. I can see no reason in the wide world why we should borrow on our own credit through a third party, and a private commercial house at that. What is social or public credit? I would say it is the joint creation of (1) a stable government; (2) a functioning industry, and (3) a consuming public. With any one of the above missing there could be no such thing as public credit. To-day we have a stable government, and I hope we always will have. We have a functioning industry, but we have not a consuming public, except to about one-half our proper capacity. The formation of a national credit account—the mechanization of it—would be no more difficult than the creation of a loan in a commercial bank. In support of my contention may I quote one or two authorities. J. M. Keynes, world famous economist, states:

> There can be no doubt that all deposits are created by the banks.

Here is another quotation from the Right Hon. Reginald McKenna, chairman of the Midland bank, and at one time chancellor of the British exchequer. He says:

> I am afraid the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits.... They who control the credit of the nation direct the policy of governments, and hold in the hollow of their hands the destiny of the people.

I am sorry I have not time to cite further, although I have here some excellent quotations that I should like to give to the house.

The central bank could be used, and I think we should amend a certain clause in the Bank of Canada Act which would allow it to monetize the credit of this nation, not at the limited amount of to-day, but limited only by the fullest needs of the Canadian people. This particular account that I suggest could be increased by the extent to which our production increases out of proportion to our consumption. In other words, the more the people of Canada produce of worth while goods that are wanted, the more real wealth they would have, and they could monetize it and draw upon it to meet their needs. If there was a slacking off in production the addition to the national credit account would be reduced thereby.

The greater the production of a nation the higher its standard of living should be, but unfortunately under our present orthodox thinking the more we produce in most things the more poverty we have around us, the

more unemployed there are to feed and look after, and in many respects the poorer are we financially. Every precaution, of course, could be and should be taken against any dangers of inflation, and I have not the slightest doubt in my mind that that could be taken care of.

The proposal I have put forward, which I might say is not new, is one on which I stand absolutely. It is criticized by those who have not looked into the subject, on the ground that it would lead to inflation, but I am confident that we could quite safely guard against that difficulty.

In closing, Mr. Speaker, may I remind the house that the solution of the problems I have mentioned are entirely in our own hands. This parliament is all powerful. If it has not got the power, it can take it. The crisis through which we have been passing in the last five years is a man made crisis, and as a man made crisis can be man mended. Parliament will be held responsible to get us out of our present difficulties. If it fails to do so, the fault lies with parliament, and no doubt parliament will be blamed by the people of this country.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, the hon. member for Battle River (Mr. Spencer) has asked the very important question, what about the farmer? To that largely I desire to address myself in my remarks this evening, and particularly so because of the remarks made by the official financial critic, the hon. member for Shelburne-Yarmouth (Mr. Ralston), in regard to the wheat situation in this country.

May I point out to him and to the house that before this government came into power the wheat markets of the world were already closed. On August 1, 1930, the duties against our wheat going to Italy were 86 cents, France 85 cents, Germany 97 cents, Greece 56 cents, the United States 42 cents and Japan 34 cents. May I indicate to the house as well that these duties are so high that it matters not whether you increase them by two dollars; the result is precisely the same. They are so high already that no wheat can enter those countries. In addition to that, there were restrictions on imports in Europe, and quotas, which made it entirely impossible for us to ship our wheat to those countries.

Mr. John I. McFarland was appointed to handle the wheat situation on behalf of the central selling agency on November 24, 1930. At that time the price of wheat in Canada was the lowest in the history of this country. It was then hovering around fifty cents a bushel. The federal government immediately guaranteed the banks against any loss in supporting the market, on behalf not only of the western wheat grower but of the people of Canada from one end to the other. Since 1930 the federal government have been supporting the wheat market. In 1934 not only did they continue that support but they pegged the price at seventy-five cents a bushel for No. 1 northern at Fort William. By that pegging, in addition to the support which they had previously given, they increased the price at that time by sixteen cents a bushel over the price of the previous year.

May I point out that at the present time European imports are the lowest they have been in thirty years, due to the tariffs which were put on as I have indicated, to restrictions in regard to quotas, and to the milling regulations.

May I point out to those in this house and in the country who advance the argument that we should dump our wheat on the markets of the world, take our loss and get out of the market, as the hon. member for Shelburne-Yarmouth indicated on behalf of the official opposition, that forced sales of wheat still form part of the world's carry-over whether that wheat is here or whether it is in Europe. It matters not how much wheat we sell to Europe; if it is held in Europe in store it still remains part of the world's carry-over; it still remains hanging over the markets of the world. Therefore forced sales do not, as has been indicated, reduce the carry-over.

It will be well within the memory of this house that Mr. John I. McFarland appeared before the banking and commerce committee in 1934 and gave evidence with regard to his operations. Many on the opposition side indicated that he was gambling in the wheat of this country and that he was gambling with the taxpayers' money. May I quote what Mr. McFarland said at the conclusion of his evidence, when he had convinced most of those people who stood before him, and who previously were his critics. He said:

> But if you will only realize that in these three years, or a little more than three years, the western farmer has marketed upwards of one billion bushels of wheat—and he has marketed that under these operations—and again nobody knows to what extent he has profited on a billion bushels; I do not know what he has profited, but $100,000,000 would be a small guess, and all that has gone to the benefit not of the western farmer only, but to Canada as a whole.
>
> How can anybody complacently stand by and see the western farmer eliminated when he has contributed some 31 or 32 per cent of the external trade of this country for the last twenty years? Could we stand by and let him

be eliminated in a world that has barricaded itself against other exporting countries to support their farmers?

Apparently the contention of the press in some parts of this country, and apparently the contention of some hon. members who sit opposite, would be that that should be done.

May I again quote Mr. McFarland, perhaps the world's greatest wheat expert, who in a speech at Moose Jaw on February 14 last said:

> Men say, "Let the price go down to any disastrously low level to which speculators may drive it," and proudly boast that that would reduce acreage and production. Yes, my friends, they are correct, that will do it, and would have done it, in Canada, and with a vengeance. Such men do not consider how cruelly unfair it would have been to our citizens to leave our farmers to fight such an unequal contest, when all other exporting countries have been assisting their farmers in various ways, so as to maintain them on the land.

And again:

> With the world wheat situation nearer to normal than at any time for the past six years; with present subsoil moisture conditions on this continent far below normal, we should not regard a probable carryover in Canada of 80 million bushels or even more, as a calamity to be avoided by now attempting to force our wheat on world markets at a price below what it has cost to produce.

And he concludes:

> No one will ever be able to estimate the great benefits the producer, and the people in general, have received as a result of the government's support of the price structure on the last five crops of Canada, which produced the grand total of 1,750,000,000 bushels. I want to say to you, without prejudice, and based upon my inside observations of our own market conditions, in conjunction with those of the world's market in general, that in the absence of government support, it is clear to me that there would have been such chaos, that I am sure I would not care to have been a resident in these parts of the world.

If I am correct in interpreting the arguments of hon. members opposite, that is precisely what they desire us to do. They say that this wheat should be dumped upon the markets of the world at a time when there is a shortage and at a time when we will soon have an advantage because of the quality of our product. They are suggesting that we sacrifice the farmers of this country by throwing upon the markets of the world their wheat at a price below the cost of production. The hon. member for Shelburne-Yarmouth is one of those who advocates this action. I would not have the temerity to speak with regard to fish, which he may understand, and I do not think he should have the temerity to speak as a wheat expert.

[Mr. Willis.]

In addition to carrying the wheat crop for the last five or six years this government has sent out additional trade commissioners who have been selling wheat in a way it has never been sold before. Then there was the bonus paid on wheat of five cents per bushel for one year. As a result of this bonus a total of $12,706,000 was paid in one year to the farmers of western Canada. It is true that some of the farmers did not receive this, but I think it is the first time in the history of Canada that a government has had the courage to bonus the western wheat producers. This is also the first government which has had the courage to indicate that such a bonus was to compensate for conditions brought about by tariffs. Because of the Ottawa agreements we have a six per cent preference on wheat entering Great Britain, and this has permitted us to sell large quantities which otherwise would not have been sold.

I have a vivid recollection of the campaign of 1930 and I remember the former Minister of Education of the province of Manitoba going about my constituency and indicating to the people that if the Conservative party was returned to power they would never get the Crowsnest rates on the Hudson Bay railway. That was one of the first things done by this government but as a result of the speeches made by that gentleman—no doubt there were dozens of others saying the same thing—hundreds of votes were lost to me and I suppose thousands of votes were lost to other hon. members.

I should like to refer to the question raised by the hon. member who has just preceded me (Mr. Spencer). He asked: What of the farmer? I should like to direct the attention of the house to the functions of the federal government in connection with relief and particularly in connection with agricultural relief. The municipality has the first responsibility with regard to agricultural relief. The municipality has the machinery to handle the situation, the councillors and other representatives of the municipality are on the ground and know the situation. When the municipality is unable to handle the situation it must of necessity go to the province. Why is this? It is because the province created the municipality; the municipality obtains its legislative authority from the province. There is no connection whatever between the municipality and the federal government. The federal government begins to function when the province asks for assistance. At that time the necessary advances are made to the provinces with which to handle relief. The federal government does not handle relief, and particularly agricultural relief.

The first policy of the federal government with regard to relief was that of public works. My constituency includes all the drought area of the province of Manitoba, and in one year some $46,000 was spent on public works in that area. Subsequently the public works were carried on under the joint responsibility of the provincial and federal governments. There are many who say that this should have been continued, and I should like to state to the house why this policy was discontinued by the federal government. I should like to qoute from two speeches which were made in this house. It will be remembered that in 1932 a dominion-provincial conference was held in Ottawa. The provincial premiers met here in secret but I shall quote from two speeches made in the House of Commons about that time. On May 4, 1932, the Minister of Labour (Mr. Gordon) was introducing an act with respect to relief, and he referred to the dominion-provincial conference in the following words:

On April 8 the provincial premiers came to Ottawa and on what remained of that day and throughout the following day the whole situation was considered with a view to checking up on the work accomplished and to formulate a course for the future. I think I am stating it fairly when I say the premiers and those representing the provinces were unanimous in the decision that the provinces and the municipalities within those provinces were financially unable for any length of time to carry on the program of public works projected, or to carry out the scheme formulated since the last session of parliament.

That is why the public works program was discontinued at that time. On November 22 of the same year the Prime Minister was speaking on unemployment, and he is reported at page 1455 of Hansard for 1932-33 as follows:

This I should like to say, not to anticipate what will be said by the Minister of Labour at the appropriate time. Last spring the government called a meeting of representatives of the provinces, who concluded that it was not expedient to continue their efforts for relief along the lines that had prevailed theretofore. They decided they would have recourse to direct relief. The conference was very well attended; half a dozen of our ministers were there, and that conclusion having been arrived at, the action indicated was taken.

That is why we have been granting relief rather than carrying on a program of public works within the municipalities and the provinces. The amount of relief given is measured by the need of the locality. Those areas in the west where there has been the greatest drought for the greatest number of years naturally receive the greatest attention. In Manitoba we have an area known as drought area A where there has been no crop for five years. This area was defined at a conference held in Ottawa at which I had the honour of attending. The provincial treasurer of Manitoba attended and I accompanied him at the request of the provincial government. Subsequently another area known as drought area B was defined, at another meeting at which I was not present. Those areas have been defined and treatment is given in that way and loans are advanced by the federal government for the purpose of supplying seed grain. This government pays one-half the freight on cattle, horses and equipment going out of that area, and also on their being ready to return to it the federal government pays fifty per cent of the freight. It pays fifty per cent of the freight on hay which is trucked into the area.

The loans for seed grain constitute one of the difficulties at the present time. The federal government has advanced recently to Manitoba, for the purpose only of the drought areas, these amounts:

November 15 last..	$75,000
December 10 last..	75,000
February 9 last..	75,000

And under a recent order in council dated March 25, there has again been advanced to Manitoba the sum of $275,000. Thus there has been advanced to that province since November 15 last, for the drought areas only, the sum of $500,000, which is to be used for seed grain, feed and relief, and for present purposes that amount seems quite adequate. In addition to that the federal government has, as I have indicated, paid for freight in regard to feed and equipment for the drought areas a sum amounting to $77,264. That in itself is a large sum. In toto, for relief and other purposes, the federal government has advanced to Manitoba now between $13,500,000 and $14,000,000, which at the present time has not been paid back. There are those who say from time to time: What is the federal government doing in regard to direct relief? May I point out what it is doing in those areas in Manitoba. First in regard to direct relief it is paying its one-third; it is advancing to Manitoba the one-third payable by that province, and it is advancing to Manitoba the other one-third which the province in turn hands over to the municipalities. The resultant picture is therefore that the federal government is paying outright one-third; it is lending the other two-thirds, and has as a consequence one hundred per cent of the responsibility in that regard. As I have said, the federal government has advanced to my province for relief and other purposes be-

tween $13,500,000 and $14,000,000, and I leave it to the house whether that amount will ever be paid back.

I hear from time to time from those within my constituency and those outside it; they are continually writing to me—on Monday last I got forty-eight letters—largely to this effect: I am not getting sufficient relief; the standard of relief in my municipality is such and so and I do not think it is fair; I do not think it is sufficient. To all those people I answer, as the answer must be: The question of how much relief you get, the question of the security which is taken, the question of the forms which you sign, are matters entirely for the municipality, subject to such restrictions as may be placed upon that municipality by the government of the province. The restrictions can be placed upon those municipalities only by the province and not by this government, owing to the fact that the municipalities exist because of the Manitoba municipal act, the fact that they are creatures of that province. If I as a federal member for a Manitoba constituency were to go to the municipalities and make suggestions to them or try to order them about, their only answer to me need be: Go roll your hoop, because the federal government has no authority over the municipalities, no authority in regard to the security or amount of relief. The federal government merely supplies adequate funds to Manitoba and leaves to it the question of the amount of relief that shall be given. That subject has been one of the greatest difficulties in my constituency; it is a difficulty which has taken up most of my time during the period I have been there, a difficulty which has kept me within the constituency going about from place to place, seeing municipal councils; that is my main business.

I should like now to speak in regard to the question of debt, because that is very important. The federal government has put on the statute books of this country the Farmers' Creditors Arrangement Act for the purpose of scaling down debts of farmers only. The machinery is simple; the cost is nil; the forms are given entirely free. The farmer has merely to fill out a very simple form which goes to the official receiver. The official receiver then calls together a meeting of the creditors who, sitting down together, decide what should be done with regard to the situation. The farmer has an opportunity of formulating his own proposal which he brings to the meeting. He settles on his own basis or he need not settle at all. Contrary to what some members have said in the house, I contend that is one of the greatest things which has ever happened to the farmers within my district, that they have an opportunity of scaling down their debts in that way and on such a basis that they know they will receive fair treatment without cost to them. In particular this is a definite and final debt adjustment; it is not debt postponement, as so many of the provincial acts are.

To return again to the question raised by the hon. member for Battle River—what of the farmer?—the government this year is advancing the sum of $90,000,000 in connection with the Canadian Farm Loan Act. I had occasion to speak of that previously and I expressed an opinion then which I would express anywhere again. One of the most important points is this: the Canadian farm loan board must be willing to grant loans throughout Canada on the ordinary business basis. They cannot set apart an area and say it is too dry. They cannot overlook the fact that within such areas during the years from 1924 to 1929 there were grown the best crops that were raised within Manitoba. I think the government was very wise in doing away with the provincial boards, particularly the one in Manitoba which has shown poor judgment in regard to the loans which it has advanced. In addition to that, as I have indicated, it may be necessary with the board at Ottawa so to surround the present commissioner that his ideas may be changed, because if his ideas are precisely as they were before; if he as an individual is still permitted to dominate that board, the policy will likely be a continuation of that of the past where they merely played safe. They asked merely the one question: Did it rain on your land last year and not the question: What is the quality of your land? What is your experience as a farmer Have you made money in the past? Have you shown ordinary energy in pursuing your occupation None of those questions was asked. They do not ask, even as bankers do: What is the character of the individual? They ask you: What area are you in? Perhaps, because that has been designated as drought area A or B, they say: No, we cannot advance loans there, not knowing that drought areas are still designated in that way because spots within them are completely dried up.

Speaking also in regard to the drought areas and the situation of the farmers, may I congratulate the government on the reclamation scheme which they propose to put into force? That scheme, which is not yet before the house, has potentialities beyond measure.

If they can carry on their cultural practices which will indicate what should be done in a crisis such as this; if they can demonstrate the kinds of grasses that can be raised within that area, the way in which trees should be planted to stop drifting, methods by which streams may be dammed and the spring freshets held, that in itself would be a tremendous help. All these schemes are useful; nothing should be disregarded. The difficulty with experts is that they see only their own part of the picture. For instance, the engineer sees only the dam; he has no idea of the usefulness of trees. The tree expert is just as narrow with his view. All these are useful; the only thing is the government should make all speed in getting to the work.

What benefit does the farmer receive from the Ottawa agreements? I would point particularly to the cattle restrictions which for thirty-seven years prevented cattle being sent from Canada to the old country. These have been removed. In 1930 we shipped no cattle to the United Kingdom; in 1934 we shipped 53,863 head.

But particularly have the Ottawa agreements helped those in Canada who produce hogs. The Canadian production of hogs is in round figures 6,000,000. Immediately following the Ottawa agreements, due to the preferences given in the British market, the price was increased by two and a half cents a pound. Figuring that out on the basis of a hog weighing two hundred pounds, you will find that the producers of hogs received an additional income of $30,000,000. The next year the price was increased to eight cents, so that they received that year on the basis of 6,000,000 hogs an additional amount of $48,000,000 as a result of the Ottawa agrements. Since that time the price has further increased and is now around eight and a half cents.

I would further point out that by reason of the tariff imposed on corn coming into this country, for the imposition of which I take some credit, the market price has been increased. The duty was imposed on June 2, 1932. The total imports for the year ending March 31, 1931, were 9,500,000 bushels; in 1934 they were down to 5,200,000 bushels. There are those who say: That is all very well, but we have increased our imports from South Africa. But that is quite untrue. From South Africa in 1931 we imported 1,117,000 bushels, and in 1934 that figure had been reduced to 198,000 bushels. That has had the result of giving the market to the producers of barley in this country; it increased the price and decreased the carry-over.

Then to those who have to borrow money —and we all have to borrow from time to time —I draw attention to the fact that interest rates have been reduced by this government. Savings bank interest has been reduced to two per cent, the result is that the ordinary depositor will not now leave his money in the bank at two per cent but will seek other avenues for investment, with the result that more money is spent. In addition, it has had the general effect of reducing interest on all debts. Interest rates have also been reduced by this government by the refunding operations that have been carried on, as a result of which taxpayers in Canada are paying in interest $14,600,000 per year less than when this government came into power. Those who deal with the banks now have the satisfaction of knowing that the bankers cannot charge more than seven per cent, where formerly eight per cent was a common rate, and by subterfuge the banks were able to evade the legal restriction. Owing to the penalties now imposed that can no longer be done.

Before this session ends we shall have legislation relating to matters dealt with by the price spreads and mass buying commission. I do not desire to discuss it now, as the commission has not yet reported, but in my opinion it was the greatest weapon that has ever been fashioned in this country against the concentration of wealth in the hands of the few.

Speaking again with particular regard to the farmer I would mention the central bank, because whether people know it or not it will have a tremendous effect on the credit of this country. One important function of the central bank is that of controlling and regulating credit. Another function is to advise governments in regard to their financial policies.

In regard to the control of credit I point out that the bank has unlimited resources, and its actions are necessarily dependent upon that fact. In boom times the bank has the necessary machinery to control the boom. The governor of the bank would go to the general managers of the chartered banks and say: I think you are lending too much money for purposes of gambling. If the general managers said to the governor: Well, would you mind going and running your little bank and we will run ours—then the governor of the bank would say: Very well; I used to work for you gentlemen, but now we will refuse to do your discounting and by that we will freeze up credit in your

bank. If that be not sufficient, then through open market operations the central bank, known as the Bank of Canada, will step into the market and sell securities, causing the depositors to take their money out of the banks to buy securities, having the effect of freezing up credit. In times of depression the central bank will be equally effective. The governor of the bank will say to the commercial banks: You have some frozen paper; probably you would like to discount it. The central bank will take over these frozen assets and give the bank's money in place of them, thereby forcing money into the credit system of the country. If that be not sufficient the Bank of Canada will itself go into the open market and buy securities, thus placing money in the hands of the banks, and the banks must use that money, because three-quarters of the deposits of this country are in savings accounts on which the banks pay two per cent, so they cannot allow it to remain idle; they have to put it out. So far as credit in this country is concerned that is one of the greatest things we have ever had, the Deputy Minister of Finance says the greatest thing since confederation.

Then I would point out that the central bank took over from the chartered banks of this country some $39,000,000 in gold. It was taken over at $20.67 an ounce and the present price is around $35, so there is a profit of some $15 an ounce. Some of that gold was held for foreign account—I do not know how much, but I should think $9,000,000 would be a large estimate, due to the small number of branches they have in foreign countries. If that be a correct estimate there is on that gold an immediate profit to the people of this country, not to the bank but to the consolidated revenue fund of over $20,000,000 which is not doing badly out of the banks of this country.

I should like to compliment the government on the fact that Mr. Justice Taylor, formerly of the province of Manitoba, has been appointed to the pension commission. I believe his appointment will have a good effect on the administration of our pensions. I should like also to refer to the nationalization of our radio, which has had a great and beneficial effect on the country.

Mr. HANSON (Skeena): Has it been satisfactory so far?

Mr. WILLIS: It has been entirely satisfactory to those people whom I represent.

Mr. HANSON (Skeena): It has not been satisfactory in the rest of the country.

Mr. WILLIS: I think if you went to the country on the radio policy of this government you certainly would be defeated; if you do not think so get your leader to go to the country on that issue. I defy him to take that step.

In addition the live stock industry of this country has derived benefits due to the fact that we have a preference in the British market. There are great possibilities also in regard to the United States trade agreement which may or may not be consummated; in any event we are striving to carry it through. The other day I was surprised to hear hon. gentlemen opposite trying to disparage the work of this government in connection with trade agreements. We have negotiated nine new trade agreements during the life of this government, and we have cancelled none. It may be said that we have cancelled two, but those have been renewed, so the policy of this government has been most successful in that connection.

Finally I should like to say a word about the balance of trade. We now have a favourable balance of $134,000,000 as compared with an adverse balance of $90,000,000 in 1929. That has the effect of allowing this country to borrow more than we could otherwise borrow. It also has the effect of allowing us to borrow at the rate of two per cent in some instances, something never done before in Canada.

I should like also, if I had time, to deal with certain other matters concerning the present policy of the government, and in particular I should like to refer for a moment to that accusation which is made so often, that the reform policy of the Prime Minister indicates an about turn on his part. That is contrary to the truth. Those who say the reform policy of the Prime Minister is an about face have not read the first speech he made in the House of Commons on November 20, 1911. I should like to quote from the Toronto Globe of February 15, 1935; Mr. Anderson, editor of the Globe, refers to an interview he had with Mr. Bennett twenty-one years ago. These were Mr. Bennett's words at that time:

> Let me tell you that if ever this young country should run into a period of serious and prolonged depresion—such a period of hard times and unemployment as has been known to other countries in world history—those then at the helm will have to pay in costly measure for the prodigality of to-day. They will have to atone for the exploitation of the public at the hands of self-centred and predatory interests by bitter doses of taxation, by radical enactments, by revision and reform of the whole capitalistic system—or face something of far sterner significance and more devastating consequences.

This is the comment of Mr. Anderson:

> These words were spoken twenty-one years ago. The comparatively young member for Calgary, serving his first term in the House of Commons, was pacing his room in the old, now gone, building on Parliament hill. He spoke to the writer—spoke urgently and emphatically—of what was taking place.

This indicates that as long ago as that the change was taking place. I should like to take time also to read a portion of the speech delivered by Mr. R. B. Bennett in the House of Commons on November 20, 1911:

> In my judgment, in this complex civilization of ours, the great struggle of the future will be between human rights and property interests; and it is the duty and function of government to provide that there shall be no undue regard for the latter that limits or lessens the other.... If there be certain immunities and rights and privileges which flow to men who constitute themselves into corporations, it follows that the parliament or legislature that created them, that gave them birth and existence, has the power to impose upon them limitation commensurate with the demands and necessities of the people.... I submit that in this country we should at the earliest possible moment give our best attention to the consideration of some measure that will provide a tribunal that will limit the issue of securities by corporations, and will protect the public by enacting some measure by which they can know the real value of those securities.

Later on the same gentleman complained in this country and in this house against the lobbying by the rich people that took place on Parliament hill. At another time he indicated that he thought levies should be made on the insurance companies of Canada, and during the Beauharnois debate he indicated that he snapped his fingers at the financial interests of this country. The Prime Minister has always been a reformer and a realist; the reforms he is bringing forward at the present time indicate that he has had these matters under consideration for a very long time. The reform program deals with minimum wages and maximum working hours; child labour and sweatshop methods; unemployment, health and accident insurance; income tax; an economic council; old age pensions and farm loans.

Mr. SPEAKER: The hon. gentleman has spoken for forty minutes.

Mr. WILLIS: It includes the Farmers' Creditors Arrangement Act and the central bank. When people say these are all very well at election time may I say that they are not promises; they were not placed in a book; they are not like the 1919 Liberal platform of which we have heard. These are matters which have become the law of this country. That is why it cannot be said that this is an election policy; these are the laws of the country.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, a great many compliments have been paid the Minister of Finance (Mr. Rhodes) on the splendid budget he has presented to parliament this session, and with those compliments I wish to associate myself. I believe this is the most comprehensive budget that has been delivered in this house during the time I have been a member. It presents a clear and complete picture of the financial, industrial and commercial activities of the Canadian people during the past year, and contains a wealth of information that will well repay any person who studies it. In one respect this budget has attained the impossible; it has been received without opposition by the great masses of the people.

Of course we do not expect that the financial critic of the opposition will agree with any budget. It is his duty to rave and shout loud nothings in order to discredit and ridicule the budget in an attempt to blind the people to the benefits it confers. The hon. member for Shelburne-Yarmouth (Mr. Ralston) did his work well; his particular mentality lent itself to that kind of oratory. That was why he was put up as financial critic. During the course of his speech he tried to give the impression that this government was in the van in regard to economic nationalism. That is not so; economic nationalism had been rampant in the world long before this government took office; it had reached its peak before that time. I have before me some of the duties imposed by other countries in order to shut out the goods of the Dominion of Canada. These figures are very illuminating. So far as I am aware, after this government came into office no country, with the exception of the United States, raised its tariff against outside countries. When this government took office in 1930 it found that during the regime of the Liberal government in Canada the government of the United States had on two occasions raised its tariffs, once under the Fordney-McCumber tariff and later under the Hawley-Smoot tariff, whereby prohibitive barriers were raised against the products of this country. The result was that our exports to that land reached almost the vanishing point. The rate on wheat stood at 42 cents per bushel; on sheep and lambs it had been increased 50 per cent to 200 per cent, on beef 300 per cent, on pork from 2½ cents per pound to 3¼ cents per pound, on

butter 14 cents per pound, on cheese 7 cents per pound, and on eggs 10 cents per dozen. Against a tariff of that kind our products could not enter the markets in the United States.

Germany had increased her duty on wheat to 78 cents per bushel, on cattle to $2.90 per hundredweight, on apples to $2.50 per barrel, on honey to $7 per hundredweight. Italy placed her tariff on wheat at 86½ cents per bushel. Belgium levied a rate of 91 cents per hundredweight against cheese and $1.25 per hundredweight against condensed milk. France placed a rate of $2.15 per hundredweight against condensed milk, $1.90 per bushel on wheat and $3.56 per hundredweight on cheese. These are the conditions which obtained when this government took office.

During the nine years hon. gentlemen opposite were in office they did not make a single effort to prevent or raise a single objection to the economic nationalism that was being developed in outside countries to the disadvantage of Canada. They made no effort whatsoever to protect agriculture or other industries in Canada against the economic nationalism obtaining outside the dominion.

Just before the election in 1930 hon. gentlemen opposite presented the Dunning budget which contained provisions for countervailing duties. This was a system by which foreign countries had the privilege of changing our tariff, raising it or lowering it at their pleasure, and we had no control whatsoever. If that practice had been followed for a number of years a staff of hundreds of civil servants would have been required to keep track of the changes occurring from day to day. During that period the tariffs in the United States had the effect of closing their markets to our agricultural products.

In 1921 our exports of farm products to the United States were valued at $174,000,000, while in 1933 the value had dropped to $4,000,000. The following table will serve to indicate the decrease in the value of exports to the United States in these years:

	1921	1933
Cattle	$ 21,240,091	$194,960
Sheep	1,676,445	151
Oats	1,531,623	1,186
Wheat	101,997,224	130,869
Wheat flour	12,686,807	4,659
Beef	4,485,133	24,673
Cream	2,086,880	80,051
Butter	2,293,980	4,348
Milk, fresh	409,212	127
Flaxseed	5,045,206	662,601
Wool	2,226,780	107,882

Hon. members will see from these figures that our export market in the United States had almost completely vanished, and that country looked upon us as its best customer. They adopted a most extraordinary method of treating their best customer. Between 1921 and 1930 the Liberal policy of freer trade was in existence, a policy which was supposed to stimulate trade. It did stimulate trade so far as imports are concerned, but it reduced exports. We had a favourable trade balance in the years preceding 1930, but that favourable trade balance disappeared to the point where in the year 1929-30 we had an unfavourable trade balance of $103,000,000. In the year 1930-31 the unfavourable balance stood at $89,000,000. After the present government assumed office immediate action was taken to offset this economic nationalism. Tariffs were raised, and in two years we had a favourable trade balance amounting to $9,000,000, while in 1934 our favourable trade balance stood at $151,000,000. That figure is on the right side of the ledger. The same principle applies to governments as to individuals. If a person buys more than he can sell, he either goes into debt or into bankruptcy. In order to remain sound and solvent a person or a government must sell more than is bought.

The statement has been made, and I believe with some truth, that this is a poor man's budget. It takes from those who have and gives to those who have not. It is a warning to so-called big business that the day of reckoning is nigh, if they do not change their methods and give more to their employees. It is a step in the levelling process by which a greater share of the wealth produced by industry may be distributed among the workers. It is a pledge of the earnestness behind the new policy enunciated by the Prime Minister in his radio addresses. The surtax on incomes over $5,000 derived from investments, and on incomes over $14,000 from any source, is expected to produce an increase of $12,000,000 in the income tax. This is an effort to make those who are able to pay assume a larger share of the burden of taxation. This $12,000,000, added to $65,600,000 which was the amount collected last year, indicates an estimated revenue from income tax in the ensuing year of $77,600,000. That is a large amount of money to collect by way of income tax from the people in this young country of Canada.

Income tax is the third largest source of revenue open to the government. The revenue in 1934-35 from customs import duties was

$77,300,000; from sales tax, $72,600,000; from income tax, $65,600,000 and from excise duties, $44,640,000. From these four sources of income the government collected $306,050,000. The total income from all sources amounted to $362,370,000.

The surtax on income is one of the steps taken to help correct the abuses of capitalism. The Prime Minister has set his face to the correction of those abuses, and this is one of the methods adopted. It is an attempt to take from the greedy capitalist some of his undue profits and distribute them to the people forced to accept relief. It is a sign-post which points the way to the future, and if the capitalist does not accept the warning the government will take further and more drastic methods to compel him. It is also another pledge that the Prime Minister's new policy is to go forward to a brighter day for the average man.

The charge of insincerity which has been levelled against the Prime Minister is disgraceful and itself smacks of insincerity. The wish is father to the thought in the mind of the doubting Thomas who makes the charge. The leader of the government has given ample evidence of his genuine belief in the policy he enunciated over the radio, and his every step in legislation since he came into office leads inevitably to that conclusion. I should like to quote from an article that appeared in the Toronto Globe a short time ago under the caption of "Crusader of 1914 crusades again, but is he late?" The article quotes the present Prime Minister as follows:

> Let me tell you that if ever this young country should run into a period of serious and prolonged depression—such a period of hard times and unemployment as has been known to other countries in world history—those then at the helm will have to pay in costly measure for the prodigality of to-day. They will have to atone for the exploitation of the public at the hands of self-centred and predatory interests by bitter doses of taxation, by radical enactments, by revision and reform of the whole capitalistic system—or face something of far sterner significance and more devastating consequences.

"Mr. Bennett the crusader of 1914 crusades again, but is he late?" Mr. Anderson of the Globe asks the question, and the reply has been made from the southeast corner of the house that he is late. But suppose we look at the facts. Is he late when he was the only man in Canada twenty-one years ago who had the vision to see and to watch the trend of events as they marched on to a culmination? Is he late if he is the first man in Canada to grapple with the problems of to-day and attempt to correct them by legislation? I would say no; the charge of insincerity does not apply. If the Prime Minister in 1914, when he was a young member of this house, had the courage of his convictions then to vote against his party on a question whether or not the predatory interests in this country should be dealt with, he cannot be accused of insincerity. If he had the courage in that year, is it not likely that he has the courage and determination in this year, 1935? I should say he has.

The first thing that the Prime Minister did when he came into office in 1930 was to lay the foundation for his new policy. He called a session of parliament within a month or two of taking office, and in that session he revised the tariff schedules on a large number of items in order to protect this country against economic nationalism. He also put into effect a ten per cent preference as regards trade within the bounds of the British empire. This has been the basis for his plan of preferences between the different parts of the empire on a mutual benefit basis. Economic nationalism throughout the world made it imperatively necessary that we should get markets for our exportable surpluses, and the government of the day naturally turned their attention to the British empire.

The estimated total trade of the world is $55,000,000,000 per annum. This is divided into imports of $28,000,000,000 and exports of $26,000,000,000, the balance being taken up by services, freight and insurance. Empire trade is 27·8 per cent of the total world trade, or $15,000,000,000, divided into imports amounting to 29·6 per cent of the total world imports and 25·7 per cent of total world exports. Great Britain had a trade in 1930 of $8,500,000,000, divided into imports of $5,200,000,000 and exports of $3,300,000,000. Surely that was the spot for the Prime Minister of Canada to go to find a market for the surplus products of this country. Of the total world production of certain commodities the empire's percentage of production is as follows:

	Per cent
Wheat	22
Tin	43
Wool	44
Rice	52
Rubber	58
Gold	71
Nickel	88
Asbestos	90
Jute	99

Surely with such a production throughout the empire we can find a market for our exportable surplus. The British empire comprises one-uarter of the earth's surface and one-quarter of the world's total population, amounting to almost one billion souls.

In 1930 the Prime Minister went over to the imperial economic conference and presented to the delegates there assembled a detailed plan for mutual trade pacts within the empire. It was the first time in the history of imperial conferences in England that such a plan had been submitted. The Prime Minister's personal courage and ability stirred the convention and shocked many of the delegates, shocked some of them to such an extent that the Hon. Mr. Thomas, Secretary of State for Dominion Affairs, called the speech a humbug speech. The conference dissolved without taking any action upon the plan, and because of that, considerable discontent was caused throughout the old land. Sir William Morris, chairman of the British national council of industry and commerce, said:

> The council is dismayed by the failure of the imperial conference on the economic side, which failure was rendered inevitable by the British Labour government's course in subordinating economics to politics.

The repercussions became so great that they resulted in the collapse of the Labour government in England early in 1931. Then a national government was formed which went to the country on a platform of empire trade, and it was returned by the biggest majority that any government had ever received in England. This was a signal victory for the Canadian Prime Minister, and he loomed large amongst the statesmen of the empire. The new government acted quickly. In November, 1931, it passed the Abnormal Importations Act, instituting duties on imports into England as high as thirty-three per cent to protect home industry. It meant the abandonment of England's former policy of free trade. Early the next year, in March, 1932, they passed the Import Duties Act, giving a preference to goods of empire countries, as proposed in Canada's plan. This preference was to terminate on November 15, 1932, if the economic conference at Ottawa was non-productive of results. But the imperial economic conference at Ottawa in July and August of 1932 resulted in the signing of eleven trade treaties within the empire, in four of which Canada joined, namely, the trade treaties between the United Kingdom and Canada, the Irish Free State and Canada, the Union of South Africa and Canada, and Southern Rhodesia and Canada. I should like to direct the attention of the house to the successful outcome of this conference of the brightest minds from among more than one-quarter of the world's population, which outcome was an outstanding tribute to the ability and courage of the cabinet and the civil service of the dominion. I think it is something of which the people of this country should be proud. In my opinion the success of the 1932 conference was a final and complete vindication of the policies of the Prime Minister. At this point I should like to express my appreciation of the high courage and ability of the Prime Minister in the bringing of this conference to a successful conclusion. Anyone who will take the trouble to look into the negotiations which led up to the conference will admit that it was no small achievement. The Prime Minister was the only man who could have brought this conference to Canada.

What have been the results from the conference? They began to show very quickly. Within five months Canadian exports to Great Britain had increased by $10,000,000, while exports to other empire countries had increased by ten per cent. The imports from empire countries increased by four per cent while a corresponding decrease of four per cent showed in the imports from the United States. The statement has been made that these agreements would limit our trade with foreign countries, but the effect has been the very opposite. We have had increases in our trade with Holland, Belgium, Sweden, Spain, Germany and Roumania. Foreign countries have been anxious to compete for our markets because of their increased prestige through these trade agreements. The following table shows the increases in imports from empire countries:

Canada's Total Imports From Empire Countries
Twelve Months Ended December 31

Imports from:	1932	1933	1934	Per cent increase 1934 over 1932
British Empire (Total)	$128,058,000	$132,684,000	$157,067,000	22.7
United Kingdom	93,508,000	97,878,000	113,418,000	21.3
Australia	5,845,000	5,080,000	6,374,000	9.1
British South Africa	4,085,000	4,537,000	3,007,000	-26.4
Newfoundland	576,000	626,000	1,422,000	146.9
New Zealand	856,000	2,013,000	2,893,000	238.0

The increases in exports are shown by the following table:

Canada's Total Exports To Empire Countries
Twelve Months Ended December 31

Domestic exports to:	1932	1933	1934	Per cent increase 1934 over 1932
British Empire (Total)	$217,157,000	$255,181,000	$335,245,000	54.4
United Kingdom	178,172,000	210,698,000	270,334,000	51.7
Australia	7,133,000	10,208,000	16,870,000	136.5
British South Africa	4,416,000	5,974,000	12,103,000	174.1
Newfoundland	5,645,000	6,025,000	6,597,000	16.9
New Zealand	3,406,000	3,833,000	6,821,000	100.3

These figures show that our trade has been helped by the trade agreements which have been denounced so vigorously by hon. members opposite. In connection with trade with England, Mr. Colville, secretary to the overseas trade department, has stated that some nineteen foreign countries asked for negotiations on tariffs a short time after Great Britain changed its tariff policy, but the government refused to negotiate until after the Ottawa conference. He stated further:

Exports to the dominions in the first nine **months of 1933, compared with the first nine months of 1932, increased by the following** amounts: Canada, £2,383,000; Australia, £4,950,000; New Zealand, £621,000; South Africa, £8,488,000; Newfoundland, £116,000; British India, £373,000; and Southern Rhodesia, £366,000. There was a total of £17,297,000 increase of sales to the dominions following the Ottawa agreements.

About the same time a vote was taken in the British House of Commons on a Liberal amendment in connection with these agreements. Only 25 members voted for the amendment while 358 voted against, giving a majority of 333 in favour of the agreements. Mr. Frederick Hudd, chief Canadian government trade commissioner in the United Kingdom, has the following to say in connection with the expansion of Canadian sales in the British market:

Among noteworthy evidences of the expansion **of the Canadian sales in the British market are apples, which increased to a value of $11,412,562 in the twelve months ending** September, 1934, as compared with $6,943,659 in the corresponding period of the previous year. In the same period canned goods increased to $1,003,951 from $896,861; canned vegetables to $745,056 from $385,410; furs to $9,450,997 from $6,899,056; meats to $19,506,075 from $7,517,923; bacon and hams to $17,272,171 from $6,113,096; fibres and textiles to $2,131,708 from $1,550,017; wood and wood products to $24,787,880 from $13,633,601; iron and its products to $7,823,737 from $4,069,096; and non-ferrous metal products to $43,883,011 from $25,403,809.

These figures would seem to show that the Prime Minister and his cabinet were right in supposing that the empire trade agreements would be of benefit to Canada.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME II.