

stands out clearly in my mind was their statement that they did not desire to seek any part of Protestant funds for support of separate schools.

"It made sufficient impression on me to cause an exhaustive study to be made of the whole school situation."

Serious Oversight.

The Prime Minister then reviewed the history of the separate school movement in Ontario and Quebec. He declared that the act of 1863 which brought the Protestant minority of Quebec and the Catholic minority of Ontario, into agreement on the school question paved the way for the Act of Confederation in 1867.

"I am on safe grounds in saying that, had it not been for the splendid agreement between the two religious minorities, Confederation would not have been possible," said Mr. Hepburn.

There was a serious oversight in the drafting of the legislation which permitted the separate school supporter in either Province to designate his taxes to the school where he sent his children, the Prime Minister emphasized.

Similar Acts in West.

No provision was made for distribution of corporation taxes. There were few corporations at the time. Two years later Quebec realized the oversight and passed an act which provided that corporation taxes would go into a separate account and be used for the support of both school systems in proportion to the school population. A short time ago the Director of Protestant Education in Quebec had expressed himself as being entirely satisfied with the situation.

"Our opponents and detractors would have the public believe that we are the only ones who took action of this kind," went on the Premier. "In Saskatchewan and Alberta there appears an act which is very similar to the one my honorable friend is asking us to repeal. These Provinces have preceded us in settling this controversial question. In Ontario for seventy years repeated representations have been made by the Roman Catholics that they have not been fairly treated with respect to taxes for school purposes.

Appeal for Catholics.

"The only change made in the Ontario law was in 1886, when it was made permissive for a director of a company to allocate to separate schools that portion of his taxes represented by his stockholdings.

"In 1929 the member who now represents Prescott made an emphatic appeal on behalf of the Roman Catholic minority. At that time the then Prime Minister, Hon. G. Howard Ferguson, at least showed interest in the speech, and encouraged the member to make more speeches on the subject. It was generally conceded that after the next election Mr. Ferguson would deal with the problem. But Mr. Ferguson went to England as Canadian High Commissioner, and interest passed from the Provincial scene.

"But his successor in office, the Leader of the Opposition, made a gesture when he said during the 1934 election that he would refer the whole matter to the Privy Council."

School Grants Increase.

Under the circumstances which had developed, the Provincial Treasurer had become the balance-wheel between the two schools and their financial problems, continued the Premier. "The question of whether there was to be or not to be separate schools was not debatable in this House. Those rights were granted under the British North America Act and no Legislature can pass a law injurious to either minority."

In 1930, he said, 91 per cent. of all the grants had gone to public schools, an amount totalling \$3,056,000, while in the same year 8.9 per cent., or \$298,000, had gone to separate schools. Throughout the years to 1935 there had been a steady increase in the amounts given to separate schools, and the increase in grants had been based on need, he declared. There had been a corresponding decrease to public schools, but he realized, he said, that a Government had only a limited amount of money. In 1935 the situation was that 81.74 per cent. of the grants was given to public schools and 18.26 per cent. was given to separate schools. The separate schools grants had increased from \$298,000 to \$455,000, he said.

Old Act Altered.

"That, then, was the situation in 1935 when we enacted the legislation which we are now asked to repeal," he said. "I am not criticizing the Government. I realize it was the obligation of the Government, regardless of its political affiliations."

His Administration had made two changes in the old act, he reminded the House. The first was to change the bill from permissible to compulsory legislation. He then quoted the hypothetical case of a merchant who owned a store assessed as personal property. He sent his children to separate schools. Under the act, he could say that he wanted all his taxes allocated to separate school support. But supposing, said the Prime Minister, that a chain store wanted to buy out a little merchant, and he decided to sell rather than battle stiff competition. He was given shares in the new company and remained as manager of the store. Under the old act he could not say that his portion of the taxes paid by the company could go to separate schools, but his children continued to attend those schools, although the institutions were deprived of taxation. His Government had tried to correct that "obviously unjust" situation, he said.

The second change was to try to correct the situation where it was not possible to determine the religious complexion of the shareholders. In this instance, the legislation provided that the assessment be made on the homes in the vicinity.

That was the fairest way of determining the school population he had found. He quoted an instance, the City of Cornwall, where 831 children attended public schools and where 2,330 attended separate schools. About 6.5 per cent. of the assessment was given to public schools and about 12.5 per cent. of the assessment was given to separate schools. The separate school children outnumbered the public school children by three to one, but the assessment distribution was two to one.

There were many municipalities in which this perplexing problem was not presented, he said. In his own county of Elgin there was only one separate school.

Under the old act, the general taxation of the Province had to be used to settle local problems, he said.

"I must confess that I did not anticipate the violent opposition we got from the Conservative Party and the Conservative press," he said. He himself had no political prejudice and he had not put himself in the position of viewing the situation from a political point of view, he declared, and added: "In that respect, I erred." A more cosmopolitan Cabinet than his could not be found, he said, turning to the members of his Council on his right. Hon. Harry Nixon was a United Empire Loyalist descendant; Hon. Peter Heenan was "a son of old Ireland"; Hon. Paul Leduc was "a scion of that great French-Canadian race"; and Hon. David Croll was "an immigrant boy who came here from Russia."

"Some of you say he's the best Minister I have," observed Mr. Hepburn.

"Certainly," called a member of the Opposition.

Refers to By-Election.

"From these men he could not have received bad political advice," he declared.

"My eyes were not opened until the East Hastings by-election. I did not take seriously the remarks made from the other side of this House, nor in the Toronto Telegram," declared Mr. Hepburn.

He had had some hope when he had gone down to East Hastings, he said. His Government had been a friend of the man on the back concession, he said. No people had enjoyed such benefits of lowered taxation as his Government had given, he said. "I went down there to tell them of our fight with the power barons, which resulted in reduced Hydro rates to them," he said, "and to tell them of our taking over the whole cost of highways in that section and of how men were finding gainful employment through the Government's policy of exporting pulp products."

He had told them he had hoped to improve their standard of living and make their lives a little more happy. He was not taxing them to do it, he pointed out. The revenues of the various departments were increasing, especially the Forestry Department and the Succession Duties Department. "I was able to do some-

thing for them because of the efficiency of our Succession Duties Office. Again, I say, I levied no taxation on them. We recovered from estates closed and clearances given by the former Administration \$7,100,000. We disbursed that for the benefit of the taxpayers."

East Hastings Campaign.

It was not the economic situation which counted in the East Hastings campaign, declared Mr. Hepburn, but it was the kind of campaign carried on by his political opponents. They did not discuss economics or the school problem in their speeches from the hustings. They "painted dire pictures." They had "gone beyond insult" and had "intimidated the small Catholic minority so much that they were afraid to vote," he stated.

Rev. T. T. Shields of Toronto had joined in the campaign and had questioned the loyalty of devout Catholics, charging they could not be loyal to the Government of Ontario. "I deprecate such statements. There are just as many loyal Catholics as there are loyal Protestants," declared Mr. Hepburn. Catholics and Protestants had fought side by side in the Great War, he said.

The Prime Minister charged Colonel Drew's participation in the campaign had been "absolute intimidation" in some instances. He had stated that if the Roman Catholics banded together in a political organization, then war was on, and that if Catholics operated as a political group the agreements of 1863 were violated and that he (Colonel Drew) was "ready to fight to the bitter end," declared Mr. Hepburn. Such political campaigning as this had aroused religious prejudice, he said.

There will be no election this