

for Canadian inland trade, being too deep in draft for the canals, and of the wrong type. The Canadian coasting trade is limited, and the Management of the Merchant Marine feel that they have more vessels of the smaller type than can be utilized to advantage, while to try to operate these small boats in foreign trade would, they feel, result in serious losses.

There is nothing in this report from the Management which covers the inquiry as to the advisability of installing in New York a Customs agent to allow for freight going from the East to the West, from Vancouver to Halifax or other eastern ports, and from eastern ports to Vancouver, through the Panama Canal, when they have to stop in New York and break bulk.

I may say that personally I am favourable to the idea of establishing customs facilities at the port of New York to allow of this operation being carried on. The matter has not been finally decided by the Government, and is being studied from various angles. I realize that there may be some loss to the railways in certain directions, but I doubt if they will be affected to any degree. As has been well stated by honourable gentlemen who have taken part in this discussion, there will be considerable freight that will move from the East to the West, and from the West to the East, which would not otherwise be exchanged, owing to the heavy railway rates. I believe we must take a large view of the question, and all that will make for the greater prosperity of Canada should, in the last analysis, make for greater prosperity to our whole railway system.

I will convey to my colleagues of the Cabinet the suggestions that have been made and the representations that have come from the members of this House who have spoken on the subject, when the question is finally taken up and decided by them.

Hon. Mr. REID: Some of those vessels have been constructed so that they will carry passengers. Some of them are now on the West Indies route, and are advertised for sale about the first of August. This is the particular season when they might be put on that route—the summer season for tourists. May I ask the honourable leader of this House if he will give this matter personal consideration, and take it up with the Cabinet, and if possible urge that those vessels be given a trial for at least a year? In my opinion those vessels that have been fitted up for passengers are suitable for this service. The loss, if any, would be very small; indeed, I do not think there would be any. The policy of having a Customs Officer at New York would, in addition to promoting good feeling between the

East and the West, be of great service to both of those districts, and would afford to British Columbians the opportunity of calling at New York and getting goods shipped either by Canada or by New York.

Hon. Mr. DANDURAND: I am very much impressed with the argument that has been made in favour of such a policy, and I will try to carry to the Cabinet the conviction that is within me, for their benefit.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

The Senate met at 3 p.m., the Speaker in the Chair.

Routine proceedings.

SOLDIERS' PENSION, INSURANCE AND CIVIL RE-ESTABLISHMENT BILLS

REPORT OF SPECIAL COMMITTEE

On the Order:

Consideration of the Report of the Special Committee to whom was referred:

Bill 203, "An Act in respect of the Returned Soldiers' Insurance Act."

Bill 204, "An Act to amend the Department of Soldiers' Civil Re-establishment Act."

Bill 205, "An Act to amend The Pensions Act,"

Together with the amendments made to the said Bills.—(Hon. Mr. Beique.)

Hon. Sir JAMES LOUGHEED: That is not the first item. Cannot my honourable friend give an answer to the question as to whether he is going to withdraw the Railway Bill or proceed with it?

Hon. Mr. DANDURAND: I am not ready to withdraw the Bill, and I will have to give explanations why; so, although it appears as the first Order, I think it should give way to this. My honourable friend does not intend to withdraw his amendment for the six months hoist?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: If he carries it, that disposes of the Bill.

Hon. Sir JAMES LOUGHEED: If my honourable friend withdraws the Bill, the amendment falls to the ground. All I want to know is whether my honourable friend is going to withdraw or proceed.

Hon. Mr. DANDURAND: It is my intention to proceed after I have given some explanations. I have been asked to follow that course, and I suggest that we take the Order as called.