

mission ascertained, or so stated, that certain textile companies with approximately 3,000 employees were paying average yearly wages of between \$230 and \$270 to underprivileged, unfortunate citizens engaged in the industry. So I hopefully and confidently look forward to more than 100 per cent reimbursement as a result of this outlay, so called, of \$140,000. I thought that since the right honourable leader opposite had, as I understood, referred disparagingly to the enormous expense incurred by the Royal Commission on the Textile Industry, it was only fair at the moment to interpose this statement. No doubt a little later a great deal more can and will be said about the whole matter.

Hon. A. K. HUGESSEN: Honourable senators, I have a few words to add to what has been said by the honourable senator from Parkdale (Hon. Mr. Murdock). In a very literal sense the expense of the Textile Commission will be repaid. As a result of the inquiry a number of claims for income taxes, unpaid but collectable, have been made and will be collected from some of the companies concerned, exceeding by far the amount of \$145,000 which the inquiry will cost.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. DANDURAND moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

PRECIOUS METALS MARKING BILL

THIRD READING

Bill 2, an Act to amend the Precious Metals Marking Act, 1928.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS FINANCING BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 73, an Act to authorize the provision of moneys to meet certain expenditures made and indebtedness incurred by the Canadian National Railways during the calendar year 1937, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railways.

He said: I have received a statement from the Deputy Minister of Transport in answer to a remark made by my right honourable friend (Right Hon. Mr. Meighen) in the debate of March 30. It is as follows:

In the Debates of this Senate of March 30, referring to the C.N.R. Financing Bill, Mr. Meighen's statement on page 239 is no doubt based on a misapprehension.

Hon. Mr. MURDOCK,

The items in the Bill were tabled in the House of Commons on March 30, and are available in Hansard, and will be seen to be items of capital expenditure or the refunding of maturing obligations. The Bill authorizes the Canadian National to issue their securities in payment thereof, but it also authorizes the Minister of Finance to make temporary loans to the railway company in advance of the issue of the securities, repayable to the Government out of the proceeds of the Canadian National securities as and when sold, and the full amount of the \$30,000,000, if issued, will appear on the liability side of the balance sheet of the Canadian National, either in the form of funded debt in the hands of the public or as temporary loans from the Government until such time as the Canadian National securities are fully issued. Such items obviously could form no part of the Proprietor's Equity or the Securities Trust.

Right Hon. Mr. MEIGHEN: That is the Bill to authorize advances to the Canadian National. It is not the Recapitalization Bill.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BLACK: I did not clearly catch the explanation of the honourable leader of the House, and I should like to ask if this Bill, No. 73, in any way refers to or is connected with Bill 12.

Hon. Mr. DANDURAND: No, no; it has no connection whatever.

The motion was agreed to, and the Bill was read the third time, and passed.

NAVAL AFFAIRS

DISCUSSION CONTINUED

The Senate resumed from March 16 the adjourned debate on the question proposed by Hon. Mr. Ballantyne:

That he will call the attention of the Senate to the training of naval cadets and the closing of the Naval College, and also to the sale of the training ship Aurora.

Hon. WILLIAM DUFF: Honourable senators, a few days ago we had the privilege of listening to a most excellent speech by the honourable senator from Alma (Hon. Mr. Ballantyne), a gentleman who during his term as Minister of Naval Affairs had perhaps—and I say this, of course, with due deference to my fellow members—a better opportunity than anybody else in this Chamber or elsewhere of sizing up the situation with regard to naval matters. I am sure we all appreciated the excellent speech which my honourable friend made. While, with his usual modesty, my honourable friend stated only that he would call the attention of the Senate to the training of naval cadets and the closing of the Naval College, I think I am right