

Northwest Territories Act

covenant. One form says "shall make good." The other form says "shall restore." This resolution is merely to conform in identical terms with the other instruments held by the trustees, and this form of resolution has been agreed upon between the solicitors of the trustees and the solicitors of the Canadian National Railways.

Mr. MEIGHEN: I first of all have no objection at all to the new plan of insurance. With the much increased railway mileage and extent of property, it would seem to me the part of wisdom for the company now to carry its own insurance. I wish, however, information to be made official in this House as to the rate which the Canadian National Railways secured as compared with the rate which the Grand Trunk secured, and if the minister sees fit—I would not press for this—the rate which the Canadian Pacific secured. I have made some inquiries myself, and I must say I was astonished at the rate which the Canadian National Railway was able to secure on its insurance. I venture to believe that over an extended period of time, there would be little if any profit in this for the companies. It will be recalled that some year and a half ago, when it was thought fit to attack the management of the National Railways, special emphasis was laid on the horror of having directors there who were directors of companies doing business with the railways. That will be remembered. In my humble judgment, about the only one on the present board who has the right to be there in point of experience and capacity together, is head of the company doing a very large business with the railways. I would be the last to object to him on that ground, and I do not believe he will take the least advantage of this. His name is Mr. Stewart. But direction was especially drawn to the fact that the Canadian National Railway Company had insurance in concerns upon which even the manager, Mr. Hanna, and the treasurer, Mr. Mitchell, were directors. The public were led to believe there was something greatly wrong in that; that these men were favouring those companies with insurance for their own profit. I have gone to the trouble of ascertaining the facts. Those companies were doing insurance work for the Canadian National Railways long before Mr. Hanna or Mr. Mitchell was interested in them at all. Heavy losses, however, occurred in those companies, losses, arising chiefly from the San Francisco fire. Then it became necessary, if they were to get anything like the terms they got before, to reconstitute the directorate and to have some money provided.

[Mr. Graham.]

That was done under Mr. George A. Cox and others, in order that the interest of the railway company might be better looked after, Mr. Hanna and Mr. Mitchell were asked to take directorships on the insurance companies. They did that, and they did it with only nominal stock interest. They had nothing in reality; this was simply a small amount of stock transferred in their names for some years, when the policy was adopted of having only directors with a real interest. Then Mr. Hanna secured \$500 worth in one company and \$1,500 in another. The \$500 worth in the one, he has lately sold at less than 30 cents on the dollar, and what he has in the other, he would be glad to sell at the same rate. This is the result of the interlocking directorships and the advantage to Mr. Hanna. Mr. Mitchell's experience is similar. It is only just to these men that this should be known. They were there in the interests of one of the largest insured parties of the companies, and I would be only too glad if their management of the railways in this regard was compared with the management of any private system anywhere, so that we might know whether or not the very lowest possible rates were secured. Instead of profiting by taking on these extra responsibilities they actually lost, and intended to lose.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 116 respecting the Canadian National Railways.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENT

Sir LOMER GOUIN (Minister of Justice) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 7 to amend the Northwest Territories Act.

He said: As will be recalled, the purpose of this bill is to authorise magistrates for the Northwest Territories to try either within or outside the Northwest Territories, persons accused of offences committed therein. A special provision was adopted by this House to the effect that a person shall be qualified to serve as a juror in such trials although he is not a British subject. The Senate has refused to acquiesce in that provision and has therefore struck it out. We are accepting the amendment.

Motion agreed to; amendment read the second time and concurred in.