

*Canada Prize Act*

**Mr. Coldwell:** Have they abandoned the old idea of paying on the value of the men captured or killed?

**Mr. Claxton:** No, men are not valued; only the ship.

**Mr. Pearkes:** That was blood money.

**Mr. Claxton:** As the hon. member for Nanaimo points out, that fell into a different category, though frequently lumped together for purposes of consideration. But in this instance the two vessels taken in prize by Canada were the German vessel *Weser* and the Italian vessel *Capo Noli*. These would have been condemned at prize by the Canadian prize court, which would have fixed a value on them, and it would have been that value, or the proceeds of their sale, which would have been paid into the prize fund. However, in this case both ships were sunk before they were condemned at prize, and the proceeds of the insurance on the ships now represents the value of the ships and constitutes the Canadian contribution toward the pool.

Under the old arrangement which was in effect until the first world war, the crown would have kept one-third—because all this goes to the crown and forms part of the royal prerogative—and two-thirds would have been paid to the officers and men of the ship which made the capture. At the end of the first world war it was decided that apportionment should be made among all those who served at sea for a certain time. The proposed method of distribution in the United Kingdom is that distribution would be made to all those men who served 180 days, with senior officers receiving ten times as much as the seamen.

**Mr. G. R. Pearkes (Nanaimo):** Mr. Speaker, I do not think it is necessary to go into the historical background of the distribution to the sailors of that portion of the funds which was obtained from prizes. It has been discussed in this house before. The fact that conditions of service have changed, rates of pay have been augmented and the benefits to sailors after their service have increased tremendously in comparison with the conditions obtaining a hundred years and more ago, bears out the contention that the distribution of prize money grants to sailors is an out-of-date method.

Naval traditions, however, die hard. After the first world war considerable sums of money were distributed by the admiralty to men of the Royal Canadian Navy. Many of these same men served during world war II and they had a reasonable anticipation of obtaining some prize money grants at the end of that war.

The minister has called attention to the fact that the admiralty has decided that in any future war no prize money will be distributed to the men of the fleet. He said that the admiralty had recognized that it would be unfair not to distribute prize money after this war to men who had been expecting it. If it is unfair not to distribute money to men of the Royal Navy who were expecting some small grants from prize money, it is equally unfair not to distribute some small amount of money to the men of the Royal Canadian Navy.

It is no use saying that there was no undertaking. Of course there was no undertaking, but there was no undertaking as far as the men of the Royal Navy were concerned. These grants have always been acts of grace and the men of the Royal Canadian Navy know perfectly well that there was no undertaking to pay these grants. But they expect that the same act of grace would apply to them as was applied to the sailors of the Royal Canadian Navy after the last war. They feel that it is an ungracious act that there should be denied to them the small amount of money which would be coming to them as a result of prizes which were captured.

The amount is quite immaterial. The fact remains that there is an old naval tradition which is being broken. That is hurting the morale of the navy and it is hurting the men who served in the navy and are now retired into civilian life. I regret very much that the minister has arrived at this decision.

If the men are not going to receive the grants there is no better place for them to go to than the naval benevolent fund. But I am still firmly of the opinion, which opinion is supported by a number of letters I have received recently—I received one only yesterday and another one from Esquimalt only a week ago—that the men feel this very keenly and resent what they consider to be a high-handed and arbitrary decision to refuse them the small amount of money they thought was coming to them.

If the money is not going to be distributed among the crews of the ships, then these men would like to see it go to the naval benevolent fund rather than anywhere else. Yesterday the minister said, as reported on page 2563 of *Hansard*:

The suggestion that prize money was necessary as a kind of compensation for the loss of possible earnings has ceased to exist, particularly in Canada, where our benefits to veterans are on a more favourable basis than in any other country.

That may be true, but the purpose of the naval benevolent fund is to augment those very benefits which the minister points out