

cities, and I think the matter is thoroughly understood by those in the different ports who are interested. This, of course, is for war-risk insurance and for nothing else. With reference to the rates for war-risk insurance, they were very high at first, but they have come down to more normal proportions. The ordinary insurance organizations are insuring war-risks at a low percentage. I understand that in Montreal yesterday and the day before the rates were as low as two per cent, and even one per cent, which is not immoderate. The minimum and maximum rates fixed under the state insurance scheme were respectively one per cent and five per cent. The great difficulty that has confronted transport from our ports as well as from the ports of the United States has not been so much war-risk insurance as the state of exchange, which made it practically impossible at first, and difficult afterwards, to secure advances against ships' papers. The situation in that respect is materially changed for the better, and my information from Montreal, where this business practically centres, is that matters are resuming a normal condition. There is no lack of vessels offering for the carrying trade, and loading and transfer, I am assured, are now fully under way. I think that the congestion which has heretofore been apparent, and which at first was very acute, is rapidly diminishing, and that matters are resuming their normal condition.

Mr. SINCLAIR: Will the minister state whether the Government guarantee applies to the owners of ships or only to the underwriters in England?

Sir ROBERT BORDEN: So far as the papers show, the insurance goes to the owners of the ships.

Mr. SINCLAIR: Is there any limit to the tonnage of the ships to be insured under this system?

Sir ROBERT BORDEN: The vessels insured under the state system are those which have the quality and class to be insured by the ordinary insurance companies.

Mr. SINCLAIR: Will that apply to the coasting trade of Canada?

Sir ROBERT BORDEN: It does not apply to anything but the oceanic trade.

At one o'clock the House took recess.

The House resumed at three o'clock.

[Sir George Foster.]

MILITARY AND NAVAL SUPPLIES.

Mr. CARVELL: I understood the Minister of Militia to say that all military supplies will be purchased, as far as possible, by tender and contract, and that all persons having goods to sell will have a chance to offer them and to sell them if the prices are right. Can we have the same assurance from the Prime Minister, in the absence of the Minister of Naval Affairs, that goods supplied to the navy will be bought under tender and contract?

Mr. SINCLAIR: I have been informed that the purchase of supplies in Halifax for naval purposes has been made without tender or contract, under the direction of a partisan committee. I should like to know whether or not that is correct.

Sir ROBERT BORDEN: The Minister of the Department of the Naval Service has instructed me to say that the department has a very careful system of obtaining its supplies by tender. In some cases, such for instance as the supply of ammunition under conditions which have recently prevailed, it is not possible to carry out that system; but when that is the case the supplies are purchased by the purchasing agent of the department in the best possible way. The statement to which my hon. friend from Guysborough (Mr. Sinclair) alluded, with regard to supplies having been purchased through or by a patronage committee, the minister informs me is absolutely unfounded. The purchasing agent at Halifax is Mr. Mitchell.

Mr. A. K. MACLEAN: Are tenders asked publicly or is the tendering confined to a patronage list?

Sir ROBERT BORDEN: I understood from the minister that tenders are called. It may be that tenders are called privately sometimes and sometimes publicly. I think that has been the practice in all departments more or less, but the minister assured me that under the practice in his department the public interests are very thoroughly safeguarded.

STATUS OF HOME FORCES.

Mr. CARVELL: I have received a number of communications from militiamen and officers asking what will be the status with regard to pensions, pay, and so on, of those members of the Militia who remain in Canada as compared with that of those who are called out for active service. Perhaps the Government can give some information on the subject.